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NAGY ON 'POSITIVE ELEMENTS' OF NATO PROPOSALS

LD191635 Budapest MTI in English 1518 GMT 19 Jun 86

[Text] Budapest, June 19 (MTI) -- The government and people of the Hungarian People's Republic are taking an active part in all endeavours aimed at disarmament, Ambassador Janos Nagy, head of the Hungarian delegation, stressed at the Thursday session of the Vienna talks on Mutual Reduction of Forces and Armaments in central Europe. The special status of Hungary in the Vienna talks does not mean that this country is a passive observer as the success of talks and the improvement of East-West relations comply with our national interests and endeavours. The ambassador said that the Vienna talks continued this year in a promising way. The latest proposal of the NATO countries included some positive elements related to the framework of the socialist countries created an opportunity for starting the concrete formulation of the agreement. However, the NATO reaction to the Warsaw Treaty proposal has not justified the hopes as the Western proposals envisaged an ever decreasing cut in armed forces, left the reduction of armament out of consideration, and raised unreal demands for verification. The head of the Hungarian delegation outlined the proposals approved in the recent Budapest session of the Warsaw Treaty Political Consultative Committee stressing that the implementation of the proposals could cut armed forces in Europe by a quarter, a million troops by the early 1990s, and reduction could continue later. The Warsaw Treaty proposes an effective scheme of verification, based upon national technical means and international rules, including on-site control. On the basis of the highly flexible position of the Warsaw Treaty talks could be held on an agreement either in the second phase of the Stockholm conference, or in a new forum with the involvement of the European states, the United States and Canada, or by extending the mandate of the Vienna consultation and extending the range of participants.

GDR, CSSR, FRG DISCUSS BAN ON CHEMICAL WEAPONS

LD210921 East Berlin ADN International Service in German 1627 20 Jun 86

[Text] Geneva 20 Jun (ADN) -- The representatives of the GDR, CSSR and FRG at the Geneva disarmament conference had further talks on Friday about all aspects of chemical disarmament. On this occasion the representatives of the GDR and CSSR, referring to the "Principles and Main Directions for Further Negotiations Between the GDR, CSSR and FRG on the Creation of a Zone Free of Chemical Weapons in Europe," stressed the significance of regional measures.

POLISH ENVOY URGES 'WILL FOR COMPROMISE'

LD202357 Warsaw PAP in English 1948 GMT 20 Jun 86

[By PAP correspondent Tomasz Walat]

[Text] Stockholm, June 20 -- The Stockholm Conference on Confidence Building Measures, Security and Disarmament in Europe entered its concluding stage. Addressing the conference today, Polish representative Ambassador Wlodzimierz Konarski called attention to the fact that there was so little time left, that everyone should display the will for compromise. It is the only way to settle issues of dispute before the debates adjourn on September 19, he said. The NATO states still do not seem inclined to make necessary concessions as regards earlier proposals, demanding one-sided benefits in security. On the other hand, the conviction arises among West European states about the necessity to find a way out of the present impasse.

ALL-OUT EFFORT TO FULFILL PRODUCTION PLANS URGED

AU222027 Tirana ZERI I POPULLIT in Albanian 15 Jun 86 p 1

[Editorial: "All-Out Effort for Greater Achievements in the Fulfillment and Overfulfillment of Plans"]

[Excerpts] The overall industrial production plan for the 5-month period has been overfulfilled. More coal, electricity, ferro-chrome, ferro-nickel ore, copper wires and cables, engineering industry products, products of the chemical industry, more products of the light and food industry, and so forth, have been produced. The retail trade and services plan has also been overfulfilled, thus better supplying the people with a number of essential products, foodstuffs, and other articles, while the state budget income has been fulfilled according to plan. Greater efforts have been made by the working people in the agricultural sector to supply the market with more vegetables, milk, meat, and eggs.

The overall value of the method of mass actions by our working people was also evident in the construction of tobacco-drying stores, the advancement in the construction of irrigation projects with an extra capacity of thousands of hectares, and so forth; the value of the method of mass actions was also evident in the important action undertaken by the "Steel of the Party" Metallurgical Combine, the engineering industry, and various institutions in the utilization of new brands of domestically produced steels. The mass action of the Tirana working people in raising production efficiency in order to increase incomes over 85 million leks over and above the plan is also of considerable importance. The state of budget income for the 5-month period has been overfulfilled by 35 million leks.

This spirit of mobilization and action must be kept alight and must be raised to even higher levels in the period to come. The possibilities have existed and still exist for even greater achievements if the existing reserves and possibilities had been fully utilized. Struggling against complacency following the overall positive achievements, let us therefore uncover still unused reserves, shortcomings, and the partial failures observed here and there. The issue remains that of fulfilling the plans and the pledges as has been instructed by the recent plenums of the AWP Central Committee, doing this frontally in every unit of the economy, district, and branch, with regard to all economic and financial indicators.

The figures and achievements of the 5-month period show that work is not being carried out with the pace and sense of responsibility suggested by the 13th and 14th AWP Central Committee plenums by all producers, as well as the import-export organs of the Ministry of Foreign Trade. Increased export income therefore requires a more deft method and style on the part of the Ministry of Foreign Trade organs, daily control, as well as greater "pressure" on the producers in order to fufill and overfulfill the tasks.

GEGPRIFTY ENCOURAGES PEOPLE'S NEW MASS ACTION

AU151903 Tirana ZERI I POPULLIT in Albanian 6 Jun 86 p 2

[Article by Llambi Gegprifti, AWP Central Committee Politburo candidate member and chairman of the Executive Committee of Tirana Distict People's Council: "A mass Action of Great Value Born of and Dictated by the Revolutionary Energy of the Masses"]

[Excerpts] The communists and working people of Tirana Disrict have always initiated many mass actions and revolutionary movements which have been adopted and extended by the whole country.

In this way, under the leadership of the party organization, they strive to fulfill the valued directive of the AWP Central Committee and of our glorious and unforgettable leader Comrade Enver Hoxha that Tirana should act as a "laboratory" for the work of the party throughout the country. The Mass actions which have been and will be launched, apart from their other purposes, aim to realize and bring to life this party injunction and demand.

In such an atmosphere of revolution, of ever more militant labor, and energetic work, new and powerful mass action has recently been mounted in Tirana to increase further efficiency in production.

The mass action was launched at the revolutionary moment when the working people of Tirana District, inspired by the decisions of the 13th and 14th Plenums of the AWP Central Committee and by the directives and counsels of Comrade Ramiz Alia, had achieved a high standard of mobilization, enthusiasm and revolutionary zeal in their labor, which expresed itself in the good economic and financial results for the 4-month period, when, for example, the 125 enterprises of the district realized and exceeded their planned targets. However, studies carried out in every production center and in the sections of the executive committee of the district people's council have reached the conclusion that within particular enterprises and sectors there are still failures to fulfill the plan, and major unused reserves and opportunities that must be exploited without fail.

At the 14th Plenum of th AWP Central Committee, Comrade Ramiz Alia stressed that "our achievements and successes testify to unexploited opportunities, and to the important part played by subjective factors, and this gives us the right to demand more from all those who have not completely reached their targets." Bearing this directive in mind, and confidently evaluating the results for the 4-month period, and also considering demands for the intensification of the revolutionary movement to become "standard-bearers in the implementation of the teachings of Comrade Enver Hoxha," the plenum of the AWP district committee, after analyzing the experience gained from this movement, decided that the working people of Tirana district under the leadership of the party organizations and within the framework of this movement should unfurl the flag of a new revolutionary mass action.

The fundamental aim of this mass action is the further increase of economic efficiency in production, with the object of achieving an accumulation of more than 80 million leks and an increase in budget income of 85 million leks above the plan before the end of the year.

So, for example, planned economic gain in industrial production will rise by 1.2 to 1.5 percent, the national income of the district will rise by 3 to 3.5 percent, and the social sector income by 4.6 to 4.9 percent above the plan. Industrial production costs, and the costs of construction, services, and freight transport, will be reduced by 0.4 to 0.5 percent.

Why is this mass action so valuable?

Primarily, the political importance of this mass action lies in its direct contribution to the heroic struggle of the party and our people to confront successfully the severe pressure of the imperialist-revisionist encirclement and blockade. The problem of economic efficiency, which is the immediate task of this mass action, directly concerns the construction and defense of socialism, relying entirely upon our own strengths, without assistance or credit from abroad.

BULGARIAN, SOVIET FRIENDSHIP SOCIETIES MEET

AU241012 Sofia Domestic Service in Bulgarian 0900 GMT 24 Jun 86

[Excerpt] In the park hotel "Moskva" in Sofia a bilateral meeting began between the All-National Committee for Bulgarian-Soviet Friendship, the Committees for Bulgarian-Soviet Freindship and the Society for Soviet-Bulgarian Friendship and its sections. The meeting ws opened by Nacho Papazov, chairman of the All-National Committee for Bulgrian-Soviet Friendship. A Soviet delegation led by Aleksey Popov, first deputy chairman of the central leadership of the societies for Soviet-Bulgarian Friendship, as well as Leonid Grekov, Soviet ambassador extraordinary and plenipotentiary in Bulgaria are taking part in the work of the meeting. In his report Nencho Stanev, first deputy chairman of the All-National Committee for Bulgarian-Soviet Friendship, examined the results of joint work to raise the efficiency of the local friendly links in the development of economic and scientific-technical cooperation between the two fraternal countries.

Aleksandrov Meets Soviets

AU242030 Sofia Domestic Service in Bulgarian 1930 GMT 24 Jun 86

[Text] Comrade Chudomir Aleksandrov received the leadership of the delegation of the Soviet-Bulgarian Friendship Society, which is visiting our country on the occasion of the third bilateral meeting of the nationwide Bulgarian-Soviet Friendship Committee and the Soviet-Bulgarian Friendship Society and its sections. Questions of increasing the acivities of the bilateral relations in scientific-technical and economic cooperation between our country and the Soviet Union in the light of the decisions adopted by the BCP and CPSU congresses were discussed. The Soviet delegation is headed by Aleksey Popov, first deputy chairman of the Soviet-Bulgarian Friendship Society and deputy minister of higher and secondary specialized education for th RSFSR.

BALEV-LED DELEGATION DEPARTS FOR LCY CONGRESS

AU241648 Sofia BTA in English 1524 GMT 24 Jun 86

[Text] Sofia, June 24 (BTA) -- A delegation of the Bulgarian Communist Party led by Mr Milko Valev, member of the Politburo and secretary of the CC of the BCP, left for Belgrade at the invitation of the League of Communists of Yugoslavia. The delegation will take part in the 13th Congress of the League of Communists of Yugoslavia, which will start tomorrow. The delegation includes Mr Konstantin Atanasov, member of the CC of the BCP and first deputy head of the "Foreign Policy and International Relations" department of the CC of the BCP, and Mr. Stefan Stoykov, Bulgaria's ambassador to Yugoslavia.

DELEGATION TRAVELS TO SWEDEN FOR ECONOMIC TALKS

AU240823 Sofia Domestic Service in Bulgarian 0300 GMT 24 Jun 86

[Text] Ognyan Doynov, deputy chairman of the Council of Ministers and chairman of the Economic Council, has left for Stockholm at the invitation of Thage Peterson, the Swedish minister of industry. In the Swedish capital he and the Bulgarian economic leaders who are accompnying him will hold talks on expanding cooperation in the economic field.

MINISTERS DISCUSS DICIPLINE VIOLATIONS

AU241909 Sofia Domestic Service in Bulgarian 1730 GMT 24 Jun 8

[Text] The Council of Ministers Bureau discussed the results from the inspections of the Committee of State and People's Control and of the Central Statistical Adminisration regarding the reliability of statistical data.

It was ascertained that in some okrug people's councils and in certain enterprises numerous violations of discipline and reliability have been committed. There have been essential shortcomings in the construction sector, where guilding projects, and housing projects in particular, have been commissioned, but are actually still unfinished ahd have not been accepted according to the established rules. There have been cases of incorrect evaluation of the economic effect of scientific-technical innovations, as well as cases of goods that have not been produced.

In order to ensure a strict observance of discipline in the reliability of statistical data, the Council of Miisters Bureau adopted appropriate decisions:

Measures of the Committee of State and People's Control for the intensification of control activities as regards the reliability of information in plan fulfillment were approved.

Instructions were issued that the materials of inspections during which crimes have been discoverd in connection with violations of statistical reliability should be handed over to the prosecuor's office for further penal proceedings.

The Bureau of the Council of Mnisters punished a number of economic managers with severe reprimands and warnings [words indistict]. It was recommended to the leaders of ministries and other departments, to the chairmen of okrug peoples' councils executive committees, and to managers of economic trusts and enterprises, to adopt measures for the realistic assessment of the results of economic and other actiities, for the strictest observance of the Statute on Punishments, in connection wth violations of statistical reliability,and of other normative documents, and instructions for the observance of strict discipline, to ensure reliable and objective information.

LEADERS ATTEND DIMITROV COMMEMORATION MEETING

AU201827 Sofia RABOTNICHESKO DELO in Bulgarian 19 Jun 86 p 1

[Milan Manova report: "Immortal Son of Class, Party, and People -- 104th anniversary of Georgi Dimitrov's Birth -- Festive Meeting in the Capital"]

[Excerpts] A festive meeting in the Georgi Kirkov" Hall in Sofia was devoted to the 104th anniversary of Georgi Dimitrov's birth.

The members of the honorary presidium were greeted with prolonged applause. The members include Comrades Georgi Atanasov, Grisha Filipov, Dobri Dzhurov, Yordan Yotov, Milko Balev, Ognyan Doynov, Pencho Kubadiski, Petur Mladenov, Petur Tanchev, Stanko Todorov, Chudomir Aleksandrov, Andrey Lukanov, Georgi Yordanov, Grigor Stoichkov, Dimitur Stoyanov, Petur Dyulgerov, Stoyan Markov, Nacho Papazov, Dimitur Stanishev, and Stoyan Mikhaylov, and deputy chairmen of the State Council and the Council of Ministers of the People's Republic of Bulgaria.

HRUSKOVIC, DELEGATION LEAVE FOR LCY CONGRESS

LD241539 Prague CTK in English 1427 GMT 24 Jun 86

[Text] Prague June 24 (CTK) -- A delegation of the Czechoslovak Communist Party, led by Miloslav Hruskovic, alternate member of the party Presidium and secretary of the Slovak Communist Party Central Committee, left for Belgrade today.

The delegation will attend the 13th Congress of the League of Communists of Yugoslavia taking place on June 25-28.

HUSAK, SOVIET AMBASSADOR DISCUSS COOPERATION

LD242252 Prague Domestic Service in Czech and Slovak 1600 GMT 24 Jun 86

[Text] Gustav Husak, CPCZ Central Committee General Secretary president of the Republic, received Viktor Lomakin, Soviet ambassador to Czechoslovakia. They some current questions of Soviet cooperation.

DEPUTY PREMIER MEETS PRC HEALTH OFFICIAL

LD241228 Prague CTK in English 0932 GMT 24 Jun 86

[Text] Prague June 24 (CTK) -- Chinese Deputy Minister of Public Health Gu Yingqi, who leads a delegation of Chinese health experts visiting Czechoslovakia, was received here today by Czechoslovak Deputy Premier Matej Lucan.

They discussed the present state of and future prospects for bilateral cooperation in health care and exchanged information about the two countries' public health care systems.

GOVERNMENT TO HELP BUILD USSR-PPR POWERLINE

AU230837 Prague RUDE PRAVO in Czech 19 Jun 86 p 2

[Text] Prague (CTK) -- The gradual construction of an interstate 750 kilovolt grid is a substantial part of the concept of the future development of the interconnected electrical energy systems of the CEMA member-states. An aggrement was signed in Prague on Wednesday (18 June) between the CSSR Ministry of Foreign Trade and the Ministry of Foreign Trade of the PPR on the realization of the Czechoslovak share in the contruction on the 750 kilovolt power transmission line ffom the Khmelnitskiy nuclear power plant in the USSR to Rzeszow in the PPR, and the switching station i Rzeszow.

The document was signed by Alois Hlock, CSSR deputy minister of foreign trade, and Helmuth Floeth, deputy minister of foreign trade of the PPR.

MEETS IRAN'S VELAYATI UPON ARRIVAL

LD250909 Prague Domestic Service in Czech 0800 GMT 25 Jun 86

[Text] 'Ali Akbar Velayati, minister of foreign affairs of the Islamic Republic of Iran, arrived in Czechoslovakia today for an official visit at the invitation of Bohuslav Chnoupek, minister of foreign affairs. Meeting the guest at the airport were Comrade Bohuslav Chnoupek and other leading ministry officials

RUDE PROVO DENIES PERSECUTION OF GYPSIES

AU231517 Prague RUDE PRAVO in Czech 21 Jun 86 p 3

[Jaruslav Kojzar commentary: "Such Are the Facts"]

[Excerpts] In mid-May, REUTER published a report stressing that "representatives of the Romanies" had called on Pope John Paul II and the Roman Catholic Church to protect the ethnic group of gypsies against poverty, persecution, and hostility. "We need the support of the pope," the chairman of the International Gypsy Council (IGC) reportedly said, because "in Czechoslovakia, Hungary, Spain, and Portugal, the life of the Romanies is characterized by extreme poverty, illiteracy, high mortality among children, and chronic unemployment." In Eastern Europe, discrimination has reportedly "frequently reached the level of state-organized persecution."

This was not the first statement of this kind. At the beginning of January, Rajko Djuric, secretary of the "World Gypsy Organization," told the AFP correspondent in Belgrade about the horrors of gypsy life in Czechoslovakia, including the "forced sterilization of women." On 2 June, a former Czechoslovak historian (!), one who lives in the West today and receives his salary from the CIA, let himself be heard. We allegedly "thwart the gypsies' cultural life" by resettling them from their "traditional" dwellings and "liquidating habitats in which they had lived for centuries," which demonstrates our "inability to deal with specific questions of the autonomy, life, language, and culture of the gypsy populace in a democratic way. We "disperse them" give them apartments, and "force" them to learn how to write, read, and calculate. How appalling! A gypsy living in dirt, in a house slapped together out of mud, in a settlement without any hygiene, at the end of civilization... how colorful.

I do not know how gypsy citizens live in countries in which, according to IGC Chairman Romani Rose, the situation is better. However, as far as the situation in our country is concerned, we strive for their unforced integration into the life of society. They enjoy the same rights as all other Czechoslovak citizens -- the rights to work, to health and social care, to education, and to rest after work.

The care rendered by the state to raise their cultural and living standards is considerable. In some localities the commisions of district national committees dealing specifically with these issues no longer have much work to do. In other localities, we are only at the beginning of the road. This is logical. It has not been easy, on either side, to change the way of thinking inherited from capitalism which doomed the gypsy to live a life at the very margin of society and did not give him the chance for ditferent development. In some places this way of thinking inevitably persists. But we are advancing step by step and neither the gentlemen of the ICG, nor anyone else -- no one who is out to destablize our society, no matter what "arguments" he uses and what name of a group of people he brandishes in this endeavor will prevent this.

HONECKER THANKS DIPLOMATS FOR CONGRATULATIONS

LD201654 East Berlin NEUES DEUTSCHLAND in German 21-22 Jun 86

[Will for Understanding Is the Dictate of the Present - headline]

[Text] Mr Doyen, mesdames, messieurs, ambassadors, charges d'affaires, comrades, and friends, I thank you most cordially for your friendly congratulations on my reelection as chairman of the CDR Council of State and on the election of the other members of the Council of State. You are right in assuming that, in the future as in the past, I will, in every respect, devote my attention to the peaceful development of relations between our states and peoples. This striving expresses the realization that in the nuclear age the thesis of the German military theoretician Clausewitz that war is the continuation of politics by other means is no longer valid. In a nuclear inferno there would be neither victor nor vanquished.

For the GDR, I can say that since its founding it has pursued a foreign policy curse of peaceful coexistence of states with different social systems, for which there is no reasonable alternative. We are guided, as noted at the 11th SED Congress, by the fact that peace is the basis of mankind's future, and we are working with all our strength for that. In this century two world wars have started from German soil. We know the destructive power of modern weapons. Peace is our most important concern.

In the present international situation, which is burdened by tensions and dangers, the question of the fate of mankind is posed with great acuteness. We are also deeply convinced that with the awareness of the dangers, the determination of the forces of reason and responsibility to avert a nuclear inferno and contributing to security and detente is also growing. Such collaboration can bring about a change for the better in international relations. We attach the greatest importance to deeds for peace on earth and in space, to an active policy of peaceful coexistence, and to an intensive political dialogue ad flourishing cooperation of all states.

In our eyes nothing is more urgent than effective steps for arms limitation and disarmament. In the center of Europe especially, on the dividing line between the two social systems and military alliances, the arms arsenals have reached very threatening proportions. It is, therefore, time to reduce the mountains of weapons. The hopes of people throughout the world are linked with accords already reached on arms limitation and disarmament and their conscientious observance, with the Soviet-American meeting at the highest level in Geneva and with the various negotiating forums on questions of arms limitation and disarmament. The socialist states are in favor of an even lower level of strategic military balance. They believe that to seek security at the cost of others or to strive for military superiority in the nuclear age is highly dangerous. Security can only be reciprocal and for all.

And it is this that is the point of departure for the comprehensive and concrete proposals which the USSR and the other Warsaw Pact states have submitted, chiefly thanks to the dynamic policy of Mikhail Gorbachev. This is again shown by the Budapest appeal for the reduction of armed forces and conventional arms in Europe. The socialist states are hoping for a serious reception for their proposals and for a constructive reply that serves world peace and thus the peoples.

With its contribution to security and cooperation in Europe, the GDR is acting in accordance with its peace commitment to do everything possible to ensure that ony peace, and never again war, emanates from German soil. The socialist German state also needs and encourages equal cooperation with the states and peoples of all continents.

The decisions of the 11th SED Congress, the domestic and foreign policy of the GDR and the successes of its national economy prove that our state is always a predictable and reliable partner. Partnership requires the goodwill of all sides. The political will for understanding and cooperation, the will to safeguard human existence and to solve the world problems that worry mankind and the renunciation of confrontation -- these are the present dictates.

Mr Doyen, mesdames, messienrs, ambassadors, charges d'affares, comrades, and friends, as representatives of your states you have the change to contribute to a climate of reason and realism in international relations through your daily work on the expansion of relations. Rest assured that you will always have my support in this constructive endeavor to strengthen peaceful cooperation and mutual understanding.

I ask you to convey my best greetings to your heads of state. I wish you, ladies and gentlemen, comrades and friends, success in your responsible work and your families and colleagues well-being.

Reception Held

LD202222 East Berlin ADN International Service in German 1154 GMT 20 Jun 86

[Excerpts] Berlin, 20 Jun (ADN) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the Council of State of the German Democratic Republic, received on Friday the congratulations of the heads of diplomatic missions accredited to the GDR on his reelection as head of state of the GDR. At a reception at the official seat of the Council of State in Berlin's Marx-Engels Square, the ambassadors and charges d'affaires conveyed to Erich Honecker the best wishes and greetings from their heads of state and government as well as their peoples.

Present at the congratulations of the diplomatic corps were the deputies of the chairman of the GDR Council of State; the members of the SED Central Committee Politburo; Willi Stoph, chairman of the Council of Ministers; Horst Sindermann, president of the People's Chamber; Egon Krenz and Guenter Mittag; Prof Dr Manfred Gerlach, chairman of the Liberal Democratic Party; Gerald Goetting, chairman of the CDU; Prof Dr Heinrich Homann, chairman of the National Democratic Party; and Dr Ernst Mecklenburg, chairman of the Democratic Peasants Party; as well as Oskar Fischer, minister of foreign affairs; Heinz Eichler, secretary of the Council of State, and deputies of the minister of foreign affairs.

The reception offered the opportunity for friendly talks between Erich Honecker and other personages of the GDR with the heads of diplomatic missions.

HONECKER SENDS MESSAGE TO TODOR ZHIVKOV

AU201726 East Berlin NEUES DEUTSCHLAND in German 18 Jun 86 p 2

[Text] Berlin (ADN) -- Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, has sent the following congratulatory telegram to Todor Zhivkov, BCP Central Committee general secretary, on his reelection as chairman of the State Council of the People's Republic of Bulgaria [PRB]:

Dear Comrade Zhivkov, I convey to you most cordial greetings and best wishes on your reelection as chairman of the PRB State Council on behalf of the SED Central Committee, the GDR State Council, as well as on my own behalf.

Your name is closely linked with successful development of the fraternal cooperation between our two parties, states, and peoples. I am firmly convinced that these friendly relations will henceforth also further develop and deepen universally along the lines set out by the 11th SED and 13th BCP Congresses, in unseparable alliance with the USSR and the other states of the socialist community. The results of the elections in both countries on 8 June are also a reliable guarantee for that. They are renewed convincing evidence of the deep trust of all citizens in the successful policy of our parties. They demonstrate the pride in our achievements, and give us the firm confidence that we will also master the new, higher tasks.

Dear Comrade Zhivkov, please accept my sincere wishes for further successes in your responsible work to the benefit of the fraternal Bulgarian people and our joint cause of socialism, as well as for creative vigor, health, and well-being.

[Signed] Erich Honecker, SED Central Committee general secretary, chairman of the GDR State Council

On the same occasion Willi Stoph, GDR Council of Ministers chairman, conveyed cordial congratulations to his counterpart, Georgi Atanasov on his reelection as chairman of the PRB Council of Ministers.

KESSLER RECEIVES USSR ADMIRAL CHERNAVIN

DW241617 East Berlin Television Service in German 1730 GMT 23 Jun 86

[Text] During a friendly meeting in the GDR Defense Ministry this afternoon, Army General Heinz Kessler, SED Central Committee Politburo member and minister of national defense, and Fleet Admiral Vladimir Chernavin, USSR deputy defense minister and supreme commander of the Soviet naval forces, paid tribute to the successful development of the military alliance between the GDR and USSR armed forces.

Minister Kessler stressed that the close cooperation with the seamen of the USSR's Baltic fleet was always an encouragment and obligation for the members of the People's Navy to prove their ability as brothers-in-arms and to fulfill honorably every mission for the protection of the socialist countries' coasts. Like all soldiers, the members of the Navy responded with new initiatives to the 11th party congress resolutions, he said. The USSR Navy delegation arrived in the GDR today for a visit of several days.

FDJ DELEGATION ARRIVES IN BEIJING FOR VISIT

LD191808 East Berlin ADN International Service in German 1146 GMT 19 Jun 86

[Excerpt] Beijing, 19 Jun (ADN) -- A delegation of the FDJ Central Council, headed by FDJ First Secretary Eberhard Aurich, arrived in Beijing today on an official friendship visit at the invitation of the Communist Youth League (CYL) of the PRC. The delegation was warmly welcomed at the airport by Song Defu, first secretary of the Central Committee of the Communist Youth League and alternate member of the CPC Central Committee.

At their initial exchange of views, Eberhard Aurich and Song Defu stressed that the visit by the FDJ delegation opened up a new page in the traditional relations between the youth organizations of the two countries. The cooperation between the GDR and China, which is developing well in many fields, is an effective contribution to the safeguarding of peace. The partners in the talks agreed that the successful progress of socialism in both states primarily requires peaceful external conditions, to which the FDJ and the CYL can make a joint contribution.

This afternoon the delegation visited the Old Imperial Palace in the center of Beijing, and this evening Song Defu gave a dinner for the GDR guests.

Meets With PRC Youth League

LD210912 East Berlin ADN International Service in German 1737 GMT 20 Jun 86

[Text] Beijing, 20 Jun (ADN) -- Official talks between the FDJ delegation headed by Eberhard Aurich, first secretary of the FDJ Central Council, and the Central Council of the PRC under the chairmanship of Song Defu, first secretary of the CYL Central Committee, commenced in Beijing on Friday. Eberhard Aurich recalled that Erich Honecker, at the 11th SED Congress, pointed to the pleasing development of relations between the GDR and the PRC in the political, economic, and cultural areas. The FDJ intends to add new successes to this good record with the development of its traditional relations with the CYL. For the GDR and its young people, the first secretary of the FDJ Central Council said, the preservation of peace is the most urgent task of today. The young generation is tackling this with great confidence. The USSR's approach to international issues, its comprehensive program for liberating the world from all nuclear weapons by the year 2000 and for the creation of a system of international security have opened up new circumstances in peace policy.

The first secretary of the FDJ Central Council briefed the CYL delegation about the Warsaw Pact's Budapest appeal. The appeal also proved the constructive urging of socialism toward a radical change in the world toward detente and disarmament. The worldwide forces of a coalition of common sense and realism are increasing.

Song Defu spoke about the CYL's activities within the country's "movement of the four modernizations" (agriculture, industry, national defense and science and technology). This modernization of China requires political-ideological work and help to link the economic revival of the PRC to the strengthening of life's socialist qualities. In order to accomplish this major objective, the first secretary of the CYL Central Committee said, a stable and peaceful world must be guaranteed in the long term. The CYL, which maintains relations with about 400 youth organizations from 104 countries, is determined, with all young people of the world, to make a fitting contribution towards the safeguarding of world peace.

In the morning, Eberhard Aurich, during a lecture before over 580 students of the political university of the Chinese youth of the CYL Central Committee, spoke about the FDJ's experiences in the communist education of the young in the GDR.

TISCH DISCUSSES COOPERATION WITH DGB MEMBERS

LD212134 East Berlin ADN International Service in German 1851 GMT 21 Jun 86

[Text] Magdeburg, 21 Jun (ADN) -- Harry Tisch, chairman of the FDGB National Executive, recieved for a talk in Magdeburg on Saturday a DGB delegation headed by Lothat Zimmermann, member of the National Executive. The trade unionists from the Federal Republic of Germany are in the GDR at the invitation of the FDGB on the occasion of the 21st workers' festival.

The 21st workers festival, Harry Tisch underlined, shows once more how in the GDR the people are free to develop all their talents and the commitment with which the workers are creating steadily better preconditions for their own creative performances in the socialist competition movement and for mastering scientific-technological progress. In this way they are manifesting their firm resolve to realize the resolutions of the 11th SED Congress and to support whole-heartedly the policy for the benefit of the people and preservation of peace.

The two sides said that in view of the dangerous worsening of the international situation, it is a priority task of the trade unions to step up thier activities for peace and disarmament. They emphasized the urgency to ban all nuclear tests.

Harry Tisch explained the comprehensive peace program which the leading representatives of the Warsaw Pact member states proposed in Budapest this month. He stressed that the FDGB, together with the trade unions of the socialist countries, actively supports the realization of those measures.

Lothar Zimmermann underlined that the DGB, at its 13th regular national congress in Hamburg, had welcomed and affirmed the Soviet Union's peace proposals. With the strength of its trade unions, the DGB seeks to help promote disarmament, detente and understanding. The two sides noted with satisfaction that bilateral relations between the FDGB and DGB are developing fruitfully.

INTERIOR MINISTER ON MISSION TO ENFORCE LAWS

DW242100 East Berlin Television Service in German 1730 GMT 24 Jun 86

[Text] Army General Friedrich Dickel, minister of the interior and chief of the German people's police, explained the new tasks following the 11th SED Congress at a working meeting with leading staff members. He pointed out the binding mission of enforcing law and order everywhere, together with the citizens, and of protecting their dignity and freedom, as well as the social and personal property.

In his address, Egon Krenz spoke about domestic and foreign policy tasks as outlined by Erich Honecker in his speech at the second Central Committee meeting. In a unanimously adopted pledge addressed to the SED Central Committee general secretary, the participants in the meeting stated that they would do everything in their power to protect the worker-peasant state, peace, and life.

REPORTAGE ON VISIT BY TURKISH PRESIDENT EVREN

Received by Losonczi

LD241121 Budapest MTI in English 0925 GMT 24 Jun 86

[Text] Budapest, June 24 (MTI) -- Kenan Evren, president of the Republic of Turkey, arrived for an official visit to Budapest on Tuesday, on the invitation of Pal Losonczi, president of the Presidential Council of the Hungarian People's Republic.

The Turkish head of state is accompanied by Vahit Halefoglu, minister of foreign affairs, and Husnu Dogan, minister of agriculture, forestry and rural affairs, and Asaf Inhan, Turkish ambassador to Hungary, who joined the delegation in Budapest.

The delegation was met at Ferihegy Airport, decorated with national colours and greetings, by Pal Losonczi, Peter Varkonyi, minister of foreign affairs, and Lajos Szalai, Hungarian ambassador to Turkey. The guests accompanied by the hosts, drove to Kossuth Square.

Discussions Held

LD241722 Budapest Domestic Service in Hungarian 1640 GMT 24 Jun 86

[Text] In Budapest, Hungarian-Turkish head of state talks have been held. Pal Losonczi expressed his pleasure at being able to welcome in Hungary Kenan Evren, president of the friendly Republic of Turkey. He emphasized that the relationship of the two countries goes way back in history. Our present relations are not burdened by any kind of problem; they are developing as an example of the good cooperation between countries of different social makeup. Pal Losonczi expressed his conviction that the present talks give new impetus to cooperation.

In his reply, Kenan Evren declared that in his person, for the first time a president of the Republic of Turkey is visiting Hungary. He also said that the many-sided cooperation is signaled by the high-level visits that have taken place in the past. Kenan Evren invited Pal Losonczi to visit Turkey; he accepted the invitation.

After the plenary talks, the two heads of state held an exclusive discussion, with the participation of the foreign ministers. Afterwards, a Hungarian-Turkish agricultural agreement was signed by the two specialist ministers. According to the document, Turkish experts will get acquainted with the Hungarian system for corn cultivation, and animal breeding will be developed with Hungarian assistance in Turkey.

In the presence of the heads of state, an energy management framework agreement was also signed, according to which the Hungarian and the Turkish enterprises will expand their direct cooperation, and they will also work together in other markets.

With the conclusion of the discussions, Istvan Sarlos, president of the National Assembly, called on Kenan Evren, at his residence, and they conducted talks of a cordial atmosphere.

More on Discussions

LD242203 Budapest MTI in English 1751 GMT 24 Jun 86

[Excerpts] Budapest, June 24 (MTI) -- The official Hungarian-Turkish plenary talks opened in Budapest's parliament on Tuesday under the leadership of presidents Pal Losonczi of Hungary and Kenan Evren of Turkey.

The Hungarian negotiating group included Peter Varkonyi, Jeno Vancsa, minister of Agriculture and Food, Istvan Torok, under-secretary of state at the Ministry of Foreign Trade, Under-Secretary of State Rezso Banyasz, president of the Information Office of the Council of Ministers, Under-Secretary of state Janos Hoos, vice-president of the National Planning Office, Laszlo Kovacs, deputy minister of foreign trade, Ferenc Ratkai, deputy minister of education and culture, Gyula Czipper, deputy minister of industry, Peter Medgyessy, deputy minister of finance, and Lajos Szalai. Members of the Turkish delegation were Vahit Halefoglu, Husnu Dogan, Asaf Inhan, Ahmet Selcuk, under-secretary of state at the Ministry of Energy and Natural Resources, Ambassador Ecmel Barutcu, deputy under-secretary of state at the Ministry of Foreign Affairs, Ismail Bilir, deputy under-secretary of state at the Ministry of Agriculture, Mahir Barutcu, deputy under-secretary of state at the Ministry of Finance and Customs, Ismailk Hakki Datuk, advisor to the president of the Republic, Ayhan Erkan, general director of the Turkish Electric union, and Baki Ilkin, cabinet-director of the president of the republic.

Kenan Evren emphasized that Turkey wants to improve relations on the basis of respect for the principle of independence and territorial integrity, with all countries of historic relations between Turkey and Hungary. He expressed the conviction that considerable results can be attained by mutual good will.

After the plenary meeting, Pal Losonczi and Kenan Evren held talks attended by Peter Varkonyi and Vahit Halefoglu.

Following the conference, Jeno Vancsa and Husnu Dogan signed a long-term general agreement on agricultural cooperation in the presence of Pal Losonczi and Kenan Evren. Under the accord, which covers several branches of agriculture including plant production, livestock breeding, forestry and the food industry, Turkish experts are shortly to come to Hungary to study the local maize production system, and Hungary is to participate in the development of Turkish sheep-breeding, poultry and milking cow keeping. The agreement marks out areas for joint research and provides for an exchange of experts.

Also in the presence of the two heads of state, Gyula Czipper and Ahmet Selcuk signed a general agreement on cooperation in power management, which encourages the development of company relations in the energetics industry and the adoption of up-to-date forms of cooperation such as joint ventures to carry out research, development and production schemes, and for the exchange of licences, know-how, technical and scientific information, documents and experts.

Received by Sarlos

LD242336 Budapest MTI in English 1839 GMT 24 Jun 86

[Text] Budapest, June 24 (MTI) -- Turkish President Kenan Evren held cordial talks with Istvan Sarlos, president of the Hungarian National Assembly, at his residence Tuesday.

In the evening Kenan Evren saw a performance of the Budapest opera in the company of Pal Losonczi.

HAVASI-LED DELEGATION DEPARTS FOR LCY CONGRESS

LD242330 Budapest MTI in English 1844 GMT 24 Jun 86

[Text] Budapest, June 24 (MTI) -- Headed by Ferenc Havasi, member of the Political Committee of the Hungarian Socialist Workers' Party and Secretary of the Central Committee, a delegation left for Belgrade on Tuesday to attend the 13th Congress of the League of Communists of Yugoslavia. The delegation includes Miklos Horvath, first secretary of the party committee of County Vas, and Sandor Gyorke, Hungarian ambassador to Belgrade.

The delegation was seen off at Ferihegy Airport by Branislav Novakovic, charge d'affaires ad interim of the Yugoslav Embassy in Budapest.

Hamdija Pozderac, member of Yugoslavia's state Presidency and of the Presidium of the Central Committee of the League of Communists of Yugoslavia, and Marko Lolic, executive secretary of the Presidium of the LCY CC, welcomed the delegation at Belgrade airport.

POLITICAL SOLUTION REQUIRED FOR AFGHANISTAN

AU240808 Budapest MAGYAR HIRLAP in Hungarian 19 Jun 86 p 2

[First in a Series of Articles by Viktor Palfi: "Afghanistan After Ramadan (1) -- By Seeking National Reconciliation" -- Capitalized passages published in italics]

[Excerpts] The GOVERNMENT-CONTROLLED area in the country has increased only slightly. These areas are limited to bigger towns and their surroundings as well as important roads and some other regions. The rest are "BLANK SPOTS" on the map, where only occasional military actions can stop counter-revolutionary gangs plundering the area. However, these actions only last as long as the military is present, because as soon as they are ordered elsewhere the COUNTER-REVOLUTIONARIES MANAGE to SNEAK BACK from Pakistan.

Not even the Afghan Government's own army and THE LINITED MILITARY AID provided by the Soviet Union ARE ENOUGH TO SEAL OFF HERMETICALLY THE 2,000 KM LONG PAKISTAN BORDER.

The only possible way is a political solution. The external condition for this is and the interference in Afghan internal affairs. These actions are carried out against Afghanistan by some neighboring countries and the American imperialists in the background. Afghanistan must become an independent and nonaligned country safeguarded by INTERNATIONAL.GUARANTEES. This, of course, depends not only of the Afghan and the Soviet Governments, which adopted THIS OPINION from the beginning, but also on cooperation from the "other side" that HAS REFUSED it so far.

Similarly it is important TO WIPE OUT THE INTERNAL BASIS OF THE COUNTER REVOLUTION. During the first 2 years of the 1978 national democratic revolution the government of that time caused serious political demage, or it may be said that is MADE THE CAUSE OF SOCIALISM COMPROMISE ITSELF. The CORRECTED TURN in the leadership at the end of 1979 has done a lot to eliminate the distortions, but consequences must still be fought against.

Back in that period the counterrevolutionaries lifted the banner of "protecting Islam." However, this was not even true at that time, and IT IS EVEN LESS TRUE today, when the government has already FOUND A COMMON LANGUAGE with Moslem religious leaders. Whether the spirit of national reconciliation WILL STAND OR FALL DEPENDS ON its ability to take root in the country TO INCREASE THE MASS BASIS OF THE REVOLUTION. THERE ARE FAVORABLE CHANGES in this respect and you can read about them in subsequent articles.

COMMUNIQUE ON VISIT BY ISRAEL CP'S VILNER

LD231922 Budapest MTI in English 1725 GMT 23 Jun 86

["Meir Vilner -- Communique" -- MTI headline]

[Text] June 23 (MTI) -- A delegation of the Communist Party of Israel, headed by General Secretary Meir Vilner, paid a visit to Hungary on the invitation of the Central Committee of the Hungarian Socialist Workers' Party.

The secretary of the Israeli fraternal party met Janos Kadar, general secretary of the Hungarian Socialist Workers Party. Meir Vilner held talks with Matyas Szuros and Janos Berecz, secretaries of the Central Committee, and met Imre Pozsgay, general secretary of the Patriotic People's Front, and Tibor Baranyai, general secretary of the Central Council of Hungarian Trade Unions, members of the HSWP Central Committee. The parties briefed each other on the activity of their parties, discussed timely issues of the communist and workers movement, and surveyed current international events and ways for the further development of inter-party relations. The Hungarian party reconfirmed the HSWP's solidarity for the struggle of the Israeli Communists for a just lasting settlement of the Middle East conflict, for the peace of the region and for social progress. The Hungarian Communists uphold the struggle of the Communist Party of Israel against the policy of the Israeli ruling circles and the discrimination and oppression applied towards the Arab population of the country and the occupied territories. The representatives of the two parties expressed concern over the efforts of extremist imperialist circles to upset the military balance of power between the two alliance systems, to narrow relations among states with different social systems, and to restrict the progressive forces of the developing world. They declared support for the proposals of the Soviet Union and the Warsaw Treaty on the reduction of tension, on averting a nuclear war and on disarmament. The representatives of the Hungarian Socialist Workers' Party and the Communist party of Israel pointed out that a lasting peace in the Middle East can only be achieved through the comprehensive and just settlement of the crisis. This calls for the removal of the occupying Israeli troops from the territories taken in 1967, the recognition of the right of the Palestinian Arab people to self-determination and independent statehood, the recognition of the sovereign existence of the states in the region, including Israel, and the international guaranteeing of their security. The representatives of the two parties voiced anxiety over the attack and campaign against the Mediterranean countries launched on the pretext of fighting terrorism. They condemned all kinds of terrorism, stressing the dangers of state terrorism, and denounced the continued Isreali occupation in south Lebanon. The parties expressed their intention to promote by the means at their disposal the expansion of human and cultural relations between the two peoples. The representatives of the two parties noted with satisfaction the favourable development of their relations on the principle of interationalist cohesion. They agreed on the further improvement of cooperation. The talks, which were marked by a cordial comradely atmosphere, once again reflected the identity of views of principle between the two fraternal parties.

'CHANGED TONE' IN REAGAN'S SPEECH WELCOMED

LD241237 Warsaw Domestic Service in Polish 0400 GMT 24 Jun 86

[Krzysztof Wojna commentary]

[Text] Speaking in Glassboro on 19 June President Reagan departed from the usual tone of his anti-Soviet speeches. This time he adopted a positive attitude toward disarmament proposals put forward by the Soviet Union, albeit expressing reservations. It is conceivable, the President said, that there is an atmosphere favorable for concrete discussions. This is not much, but taking into consideration the everyday language used by the U.S. President when talking about East-West relations, it is hard not to notice the changed tone.

Does it mean anything? The fact is, the President decided to make the speech at this particular place, and he could not change it. Glassboro, a town midway between New York and Washington, is a symbol of detente in the history of U.S. -Soviet relations. In 1967 a meeting took place there between President Lyndon Johnson and Soviet Premier Aleksey Kosygin. If Ronald Reagan wished to make another tirade against the policy of the Soviet Union, he probably would have chosen a different local. There are symbols that should not be destroyed because it is hard to predict when they may become useful as points of reference for current political needs.

If we do not know the real intentions of the U.S. President -- though we can guess for the past 6 years of his presidency -- it is worth drawing attention to some circumstances concomitant with the speech. First, it coincided with a vote in the House of Representatives, which, by a majority of 256 votes to 145, demanded that the President not abandon the SALT II treaty, signed in Vienna in 1979 and due to expire on 31 December of this year. The voting in the House of Representatives was generally received as a strong blow because it proved that it is not true that all Americans allegedly support Ronald Reagan's policy. If we consider the House of Representatives as the representatives of the nation, the situation is the opposite.

Voices and opinion from Western capitals also leave no doubt that the U.S allies are not going to support the policy of confrontation in relations with the East. They are for negotiations and compromise. Subsequent NATO sessions give many examples of the U.S. partners' opposition to methods used by the Washington administration in response to Soviet readiness for objective dialogue.

Several days before Reagan's Glassboro speech, Mikhail Gorbachev delivered a report at the CPSU Central Committee Plenum. He spoke about readiness for a meeting with the U.S. President, but on the condition that such a meeting would bring concrete results. Ronald Reagan could not leave the Soviet leader's statement without reply. Hence, it is not certain whether the Glassboro speech was a result of external circumstances, which forced the U.S. President to change the tone, or the effect of more profound thoughts prompting the White House to reduce the distance between the present day and the expectations given to the world during the Geneva meeting of the leaders of the two great powers.

URBAN REVIEWS POLISH-U.S. RELATIONS FOR PRESS

LD242318 Warsaw PAP in English 2130 GMT 24 Jun 86

[Text] [No dateline as received] "No-one claims that the U.S. carries the main blame for what happened and is happening in Poland.

The U.S. is responsible for its policy on Poland, a hostile policy in recent years," Polish Government press spokesman Jerzy Urban told a news conference for foreign journalists here today. He went on:

"One must not place together our different statements and publications of different sense and meaning, and on that basis draw conclusions as to an alleged change of the programmatic line on the U.S., and especially alleged internal divergence within the Polish policy. There is no such divergence.

"The publication of a second volume of the 'white paper' does not signify anti-American actions. There is a broad public interest in Poland in the condition of the Polish-U.S. relations. It is necessary to inform the Polish public that no major changes took place in the U.S policy on Poland in the past two years since the publication of the first white paper covering the years 1980-83.

"We expect, too, that all those facts and documents put together should make also officials in the U.S. realize the need to change the policy on Poland," Urban told the conference.

"Poland's relations with the U.S. are worse than with any other state, which the book shows. The facts and information presented in it show that the blame for the present state of these relations falls on the American side," Urban went on.

"One of the chpaters of the publication describes the steps taken by Poland for the sake of better relations with the U.S. Unfortunately, those initiatives by the Polish side were not met with a constructive approach on the American side.

"The Polish stance remains unchanged, that is, we see the way to improved and normalized relations between Poland and the U.S as still open. But as the white paper says, a necessary pre-requisite for that will be the U.S. abandonment of its hitherto policy on Poland, no signs of which are as yet seen" the government spokesman said.

Additional Topics Covered

LD241759 Warsaw PAP in English 1654 GMT 24 Jun 86

[By Stanislaw Filipczak and Piotr Turzanski]

[Text] Warsaw, June 24: President of the American Polonia Congress Alojzy Mazewski's letter to U.S. President Ronald Reagan, Radio Free Europe's allegations about radioactive contamination measurements in Poland, repercussions of the arrest of an American spy in Poland and Lech Walesa's planned visit to Italy are the leading topics of Polish Government spokesman Jerzy Urban's news conference for foreign journalists today.

The American Polonian press, Urban said, writes that the president of the American Polonia Congress, Mr. Alojzy Mazewski, sent a letter to the U.S. President Ronald Reagan, in connection with the Ryszard Kuklinski affair. Mazewski writes that the Polonia Congress and the Polish nation are profoundly shocked by the charges, formulated by representatives of the Polish authorities, that the American Administration was informed about the details of plans for a possible introduction of martial law but did not warn its friends from the leadership of "solidarnosc" in advance.

Alojzy Mazewski's letter also contains his negative opinions on the policies of the Polish authorities, typical of that activists, Urban continued.

In connection with the substance of Mazewski's letter which reflects the obvious anxiety of the American Polonia over the two-faced policy of the U.S. Government on Polish issues, I wish to state what follows: We invite Mr. Alojzy Mazewski to Poland so that he can acquaint himself with the situation in this country, about which he speaks out so frequently, on the spot. We are ready to provide the president of the Congress of American Polonia with an extensive and interesting programme of his stay and broad contacts with state authorities and representatives of social organizations, Urban said.

We propose, among other things, a talk with Interior Minister Czeslaw Kiszczak who would be ready to present the president of the American Polonia Congress with essential details of the former Colonel Kuklinski affair, Urban continued.

We think that the American Polonia Congress president's stay in Poland would help the American Polonia to acquire sound knowledge about modern Poland and would help Americans of Polish descent to better understand the events of 1981 and better evaluate the policy of the American Government towards Poland, said the spokesman.

Minister Urban also informed the journalists about ther charges levelled against Kuklinski during his trial and that the death sentence passed on Kuklinski became final and valid. Urban also said that the Council of State, to which the said case was advanced, did not grant clemency.

In connection with reports presented by Radio Free Europe on the measurements of radioactive contamination allegedly conducted in Cracow by research workers of the city's polytechnic late in April and early in May of this year Minister Urban, using concrete data, proved the absurdity of those reports and their nonscientific character.

"This is a successive example of Radio 'Free Europe' exploiting the Chernobyl tragedy to fan confusion, and a successive attempt to undermine the credibility of official data," the spokesman said.

Journalists present at today's conference devoted particular attention to the case of Bogdan Charyton, a U.S. spy arrested in Poland of late, and his ties with the 2nd political secretary of the United States' Embassy, Stephen Donald Mull, and the illegal underground opposition in Poland.

Minister Urban declared that he would not present any detailed information on the subject as the investigation was still under way. He rejected the suggestion presented in one of the questions to [passage indistinct] was allegedly linked in some way to the oncoming 10th PUWP Congress.

In a reference to Lech Walesa's application for passport to visit Italy Minister Urban said that it would be examined under normal procedure. He added, though, that persons testifying in ongoing investigations (which is the case with Lech Walesa) had to remain at the jurisdiction's disposal and this fact, undoubtedly, had an impact on the decisions of the passport organs as to whether grant or not grant a passport to a person.

"If Mr. Walesa applied for a passport believing that he would get it under a different procedure than every other citizen he showed here a nonrealistic evaluation of his position," Urban said.

"The UPI and REUTERS have reported that Lech Walesa had already inquired what his status would be if he resolved not to return to Poland," the spokesman added.

A group of experts for setting up the agricultural foundation and Deputy Finance Minister Stanislaw Budzynski held a meeting on June 19 at the Finance Ministry, Minister Urban declared. The meeting dealt with questions of taxation of the planned agricultural foundation. It was disclosed that the foundation will be exempt from the income tax in the first three years of its economic activity, provided that 50 percent of its income is spent on investments in Poland. "The announcement of this exemption means a far reaching financial preference vis-a-vis the agricultural foundation," Urban stressed.

Reviewing the effect of the Chernobyl accident on the situation in Polish tourist business Jerzy Urban said that between May and June of this year Polish travel agencies have recorded cancellations of a number of trips by tourists from capitalist states (all in all 35 thousand persons) which led to losses for Polish tourist business of 5 million U.S. dollars.

The government spokesman also said that official ceremonies commemorating Poznan events of June 1956 were envisaged to take place.

WARSAW RESIDENT ARRESTED, CHARGED WITH SPYING

AU231001 Warsaw TRYBUNA LUDU in Polish 21-22 June 86 p 2

[PAP: "A Spy for NATO Special Services Has Been Arrested"]

[Text] The counterintelligence service of the Ministry of Internal Affairs has detained 44-year-old Bogdan Charyton, a physiotherapist from Warsaw. He is accused of espionage activity for the benefit of the U.S. special services.

He commenced his intelligence cooperation in 1981, while staying abroad. He has admitted that during meetings with intelligence representatives he passed on a lot of important information on sociopolitical life in Poland and Poland's defense, even biographical data on selected persons.

After his return to Poland, B. Charyton met with Stephen Donald Mull, second secretary of political affairs at the U.S. Embassy in Warsaw, who has been revealed as a career employee of U.S. intelligence known for his "undiplomatic" interests and lively contacts with antistate opposition circles in Poland. The investigations have revealed that Charyton contacted 27-year-old Jacek Leskow, a mathematician from Wroclaw and formerly an energetic activist in the illegal "Students Solidarity Committee" and collaborator with the former Workers Defense Committee (KOR). Apart from various illegal publications, documents connected with S.D. Mull were found in the apartment of J. Leskow, who had applied to emigrate to the United States and was already promised a visa.

The investigations have also revealed that the U.S. diplomat used to be a guest of Father Henryk Jankowski, parish priest at the Church of Saint Brygida in Gdansk, and that he had met Bronislaw Gieremek, adviser to the former Solidarity organization.

The investigations office of the Ministry of Internal Affairs is conducting intensive investigations into B. Charyton's case. The Supreme Military Prosecutor's office, which is supervising the investigations, permitted the disclosure of personal details.

Activities Detailed

LD202015 Warsaw Television Service in Polish 1730 GMT 20 Jun 86

[Text] Counterintelligence officers and officers from the investigating office of the Ministry of Internal Affairs [MSW] have arrested Bogdan Charyton, a 44-year-old Warsaw resident. He is accused of spying for the U.S. special services.

[Begin recording; caption reads "Videotape provided by the MSW investigating office"] [Unidentified reporter] He was recruited for intelligence work by employees of services that operate under the cover of Canada's secret police.

[Charyton] During my stay in Canada, I had four meetings with the Royal Canadian Mounted Police service -- that is, with the secret police. I gave them a variety of information in answer to their questions.

[Reporter] That information concerned the sociopolitical situation and defense of our state. Bogdan Charyton's U.S. chiefs were also interested in the biographical details of some people employed in the country's authoritative and administrative bodies. They were collected by a career U.S. intelligence employee who is officially acting as the second secretary for political affairs at the U.S. Embassy in Warsaw.

[Charyton] I recognize this gentleman on this identification chart; he is Steve Mull.

[Reporter] Who is he?

[Charyton] He is an employee of the U.S. Embassy in Warsaw. I met him twice. The third meeting did not take place. The first meeting took place in an MPIK [A cafe at the International Press and Book Club]

[Reporter] In a club.

[Charyton] In an MPIK club at Zawisza Square. The next meeting took place in the Aleje Ujazdowskie [Warsaw street where many embassies and government offices are located] area at the Spatif [Association of Polish Stage and Film Actors] club.

[Reporter] Mr Mull's intelligence interests were very extensive. He expressed them particularly when contacting opponents of People's Poland, for example Jacek Leskow, 27, a Wroclaw mathematician and an activist in underground anti-state structures. Some time ago, he was a close collaborator in KOR. He was a member of the Independent Union of Students in 1980-81. He did not draw any conclusions from his own experience or history.

Results of a recent search of his apartment provide evidence of the manifestations of Leskow's current activity. Apart from various illegal publications printed by a publishing house of the so-called underground structures, documents were also discovered that are connected with Mull. It is also worth pointing out the fact the Jacek Leskow has been promised a U.S. visa. It is also known that he is seeking to emigrate to the United States. This is what Bogdan Charyton said during an interrogation about Steven Mull's interests.

[Charyton] He is interested in Poland, sir -- the whole underground movement; resistance, sir. These underground activities. During this meeting in the Spatif, sir, he told me about -- he had meetings with Walesa, Geremek, that professor; with Father Jankowski.

He also told me that he has lots of Polish friends. That means he has lots of Polish friends in Warsaw and, well, he also has contacts with them.

[Reporter] Bogdan Charyton's testimony is confirmed by photographs of Mull with Father Henryk Jankowski, parish priest of St Brygida in Gdansk, and with assistant professor Bronislaw Geremek, a former Solidarity adviser. He contacted Geremek quite often. As an aside, a question comes to mind. Did the meetings with the U.S. diplomat, trips together, have a certain incidental character? Were they planned from the start, and were they associated with Steve Mull's real activity in Poland? The answer to these questions is germane if only because of Geremek's planned trip to France, which Radio Free Europe devotes so much time to in its programs. So, Bogdan Charyton's detention simultaneously sheds light on several matters, allowing, by the way, the revelation of the real face of yet another U.S. diplomat whose mission in Poland had little to do with diplomacy. [end recording]

[Announcer] In the Bogdan Charyton case, the Ministry of Internal Affairs' investigations office is conducting an intensive investigation under the supervision of the Main Army Prosecutor's Office, which has assented to the use of videotape and the revelation of the personal details of the suspect.

Walesa Called for Evidence

AU241253 Paris AFP in English 1247 GMT 24 Jun 86

[Text] Warsaw, June 24 (AFP) -- Nobel peace prizewinner Lech Walesa was called in by Gdansk police Tuesday [24 June] kas a witness in an unspecified case, his wife Danuta told AFP.

The Solidarity leader's confessor, Father Henryk Jankowski, was questioned by Gdansk police Monday [23 June] over his links with an American diplomat in Warsaw, and was accused by Polish authorities of writing to a Polish spy working for the United States.

Mr. Walesa's summons to the police station coincides with an attack on him by Polish Deputy Interior Minister Wladyslaw Pozoga, who in Tuesday's edition of the government newspaper RZECZPOSPOLITA for the first time accused him implicitly of having links with the U.S. Central Intelligence Agency (CIA).

General Pozoga attacked the underground remnants of Solidarity calling them "a convenient cover for Western spy centers", especially those run by the CIA. He said underground Solidarity leaders and those who had fled to the West were financed byk the CIA to "destabilize" Poland, and that Mr. Walesa had the right to inspect the distribution of such funds.

Gen. Pozoga said there had been "incessant disagreements between Mr. Walesa and Zbigniew Bujak (the recently arrested underground Solidarity leader) on one hand and Solidarity's Brussels representative Jerzy Milewski on the other hand over the amount needed to finance (the union's) illegal activities in Poland."

The general also accused the underground union of planning "terrorist" actions and said Polish police had in the last 10 months arrested seven spies working for West Germany and the United States, without giving details.

[Paris AFP in English at 1754 GMT on 24 Jun adds: "Two other pro-Solidarity figures, meanwhile, faced police questioning here Tuesday for their connection with Mr. Bujak. They were Jack Kuron, a founder member of the KOR Committee for Workers' Self-Defense, and an adviser to Mr. Walesa, Professor Bronislaw Geremek. Solidarity's former national spokesman, Janusz Onyszkiewicz and another Walesa advisor, journalist Tadeusz Mazowiecki, have been called for interrogation on Wednesday, and Mr. Walesa faces further questioning on Thursday."]

Walesa Makes Statement

AU241528 Paris AFP in English 1515 GMT 24 Jun 86

[Excerpts] Warsaw, June 24 (AFP) -- Nobel Peace prizewinner Lech Walesa was questioned for three hours about his links with the recently-arrested underground chief of Solidarity, Zbigniew Bujak, and U.S. diplomat Stephen Mull, accused by the Polish authorities of spying, Mr Walesa told AGENCE FRANCE-PRESSE afterward. Mr Walesa, who was questioned as a witness in an unspecified case, will be required to report to Gdansk police again on Friday [27 June]. One of Mr Walesa's advisors, Professor Bronislaw Geremek, was meanwhile interrogated Tuesday by police in Warsaw for the 12th time since Mr Bujak was arrested in Warsaw on May 31.

In a statement, Mr Walesa said he had "refused to reply" to all the police questions. He also attacked the "rigging of shady affairs" that he said was aimed at discrediting Solidarity officials.

Mr Mull, second secretary at the U.S. Embassy here, is accused of being the "contact" of a Polish "spy," Bogdan Charyton, whose arrest was announced last Friday [20 June]. In his statement, Mr Walesa described Mr Mull as a "friend" and said he himself would "continue to meet diplomats from different countries in the aim of serving Poland." Mr Walesa said in his statement that he still wants to take up Italian Foreign Minister Giulio Andreotti's invitation to go to Rome on July 2 for a peace congress.

"I want," he said, "to represent my country worthily down there by joining my voice to those of European politicians and the Secretary-General of the United Nations (Javier Perez de Cuellar.)"

But government spokesman Jerzy Urban hinted Tuesday at his weekly press conference that Mr Walesa would not be able to obtain a passport in time. Mr Walesa's presence in Poland was needed, Mr Urban said, for "current investigations," and in any case Mr Walesa had filed his passport application "too late."

BARYLA ADDRESSES SOCIAL ILLS AT SEJM SESSION

AU241024 Warsaw TRYBUNA LUDU in Polish 19 Jun 86 p 4

["Abridged version" of speech by PZPR Central Committee secretary and Sejm deputy Jozef Baryla at the 18 June Sejm session in Warsaw: "We will Establish New Moral Values and Patterns"]

[Text] Speaking on behalf of the PZPR Deputies Club, Deputy Jozef Baryla said the following, among other things:

The PZPR, initiator of an increased struggle for clean social relations and the rule of law, is actively cooperating with its allies in the ZSL and SD, as well as with Catholic and lay Christian associations and people with various views on the world.

At the same time I wish to stress my appreciation of the important role played by PRON in this work.

Today we can say that we already have behind us the first stage of what one may call ideological-conceptual and organizational activity. Today's Sejm session is opening, as it were, a second stage by assessing the degree to which the laws have been implemented. This stage should be marked by effectiveness, in other words, the aim to achieve concrete expected results and clear indicators.

Hence one may generally say that our present activity will be aimed at the following:

First, perpetuating positive values in the minds of society and eliminating negative and pathological phenomena;

Second, creating an effective social and legal barrier against the corrupting effect of pathological -- chiefly criminal -- phenomena causing great social harm; a universal conviction should be created wherby every violation of the law and every crime will carry inevitable penal consequences;

Third, the creation of new moral values and pattern firmly embedded in the stream of political and socioeconomic changes that are meeting the challenge of the 21st century.

Can we prove equal to these tasks? Of course we can! After all, we possess broad social support and the appropriate legislative and legal weapons. However, the problem is not merely to have laws that are perfect in theory, but also to apply them properly. As we know and as some earlier speakers have said, discipline in implementing the law is not always our strong point.

We are working on territory which we have reconnoitered; we have an increasingly better knowledge of how far we should apply social remedies, in other words, educational and rehabilitational work, and when we should resort to increased administrative-penal and economic pressure. In both cases there is a basic motive: to act consistently until visible results are achieved.

However, there are spheres where more time is needed in order to achieve lasting results. These include the breaking of various encrusted habits and achieving a socially desired state of awarness. Work in these spheres consists of the following:

-- efforts to achieve a high ethos of work, in other words a stubborn struggle against shoddy production and waste, mediocrity, bad organization, and low work discipline;

-- increasing personal sensitivity toward human affairs and rejecting soullessness, protectionism, favoritism, and corruption, as well as other types of ills;

-- caring for clean Polish customs and habits. We must combat everything that gives us a bad name in Poland and outside of it, and exposes us to moral and material losses. This also involves a concern for the Polish countryside and care for the environment and nature.

These affairs create a broad scope for institutional and social activity. In particular, there are new tasks to be faced by social -- and especially by youth -- organizations. We are also counting on the family, the educational influence of schools and workplaces, the mass media, and the cultural sphere.

Above all, it is necessary to consistently "expel liquor" from workplaces and clean city and village streets of loitering drunks. We support social initiatives in this sphere. In a situation where almost every category of crime is dominated by the effect of liquor and losses to the national economy caused by liquor consumption are enormous, one must conclude that our reserves of leniency are exhausted.

We also view the problem of drug addiction in full focus. We will step up appropriate action. This year Z2 billion have been allocated out of the state budget for this purpose.

The coming years also involve the elimination of social parasitism. The material sanctions against this will be increased and educational efforts will be strengthened with the aid of suitably organized work for the sake of the national economy. The first results of this are already visible.

Parasitism and alcoholism are related to hooliganism and vandalism.

This is what citizen Wladyslav Tumkiewicz from Warsaw wrote to the Central Committee: "...A lack of concern for public property; the destruction of sports facilities, railroad coaches, cars, buses, telephone booths, and staircases....I view all this with pain. Casual punishment of destroyers of public property does not help much. Only compelling perpetrators to fully repair the damange can bring a significant improvement."

While on the subject of letters, it is worth adding that working people point out in their letters that arrogance, soulessness, and a failure to respect the individual are reappearing in various bodies of state and economic adminstration. This is also pathology! We will firmly combat it. This involves, among other things, greater demands on the leadership cadres. As the citizen deputies know, the political basis for this is provided by the PZPR Politiburo resolution on party and state cadres policy adopted following the 25th Central Committee Plenum. In our opinion, periodic reviews of leadership cadres should also take into account their ability to shape proper interpersonal relations, ease conflict situations, and effectively oppose social pathology.

Activity aimed at perpetuating civic attitudes will also be developed. The point is to create respect toward the state and fellow citizens and honesty in the performance of one's constitutional duties, and to eliminate the bad image of Poles created by some of our pseudotourists abroad.

The house in which we all live must be calm, safe, and morally healthy. The following principle must prevail: "Nothing that is evil can be tolerated; nothing that harms the nation can remain unpunished."

Regarding efforts to strengthen the rule of law, purify social relations, and improve the nation's moral health as a long-term and irreversible process, I will permit myself to present a few proposals on behalf of the PZPR Deputies Club:

-- As the citizen deputies know, we possess a program and timetable of work in combating pathology covering the next 5 years. We suggest the principle whereby these documents should be assessed by the Sejm every year.

We suggest a similar procedure, perhaps at the same time, concerning the package of laws governing the struggle against social and economic pathology. The end result of this assessment would be supplementary conclusions and tasks for the following year.

-- The intellectual movement may play a significant role in effectively implementing socialist ethical norms and combating pathological phenomena. We observe a clear revival in this sphere, especially in the press and on radio and television. But we expect greater initiative from opinion-forming circles. We are counting on culture playing a broader role. No doubt Polish science can also supply valuable support.

-- Society's participation in the work of law enforcement bodies should also be expanded. This means raising the status of people's lawyers social jurisdiction, legal superintendents, and so on.

-- I also suggest greater cooperation along the lines of "family-school-workplace" because there are still unused possibilities here.

The problem of overcoming social anomalies and ills, of vital importance if the country is to develop, must constantly remain in our field of vision. As always, it is people who determine everything. We believe that combating pathology is an important part of the line of accord and struggle because it unites people in the face of danger, animates people who are indifferent or embroiled in internal conflict, restores hopes to those who are lost, and establishes a healthy countenance of interpersonal relations.

SEJM RESOLUTION ON ELIMINATING SOCIAL ILLS

AU231745 Warsaw TRYBUNA LUDU in Polish 19 Jun 86 p 4

["Abridged version" of Sejm resolution on combating social ills]

[Text] PAP -- The socialist system in People's Poland creates favorable conditions for shaping and strengthening society's moral health. The Sejm considers it necessary to undertake more resolute actions aimed at preventing all manifestations of social pathology and in the struggle against delinquency. Society is particularly troubled by the persistence of such deviant forms of behavior as drunkenness, social parasitism, drug abuse, and criminality, as well as dishonest attitudes toward work, waste, and poor management. The loosening of family bonds, and the insufficient influence of the home and the school on the upbringing of children contribute to the demoralization of a section of the younger generation.

The ongoing and tangible normalization of life in the country creates favorable conditions for limiting pathological phenomena and consolidating positive moral norms in relations between people. This goal is served by the laws passed by the Sejm out of profound concern for effectively combating the threats to social life. The following laws serve this goal in particular: the law on the treatment of those who shirk work, the law on conduct in cases involving minors, the law on combating speculation, the law on education in sobriety and the combating of alcoholism, the law on prevention of drug abuse, and the law on special criminal liability. An assessment of the implementation of these laws by Sejm organs indicates that these laws create appropriate conditions for preventing social ills and delinquency. Unfortunately, not all these laws are being consistently applied by the organs and institutions responsible for enforcing them. This is particularly true with respect to the law on education in sobriety and the combating of alcoholism, and the law on the treatment of those who shirk work.

The Sejm states that the actions hitherto undertaken concerning the creation of an appropriate attitude toward work have had a positive effect on the organization of work, work discipline, and the quality of work. However, there are still instances of waste, poor management, and the inefficient use of work time; phenomena that result in immeasurable economic and moral losses. Public indignation is especially great when people capable of performing work shirk work, and when income is derived from illegal and undetermining sources.

A tangible improvement is lacking in the reduction of drunkenness and alcoholism, this fundamental social danger, and drug abuse continues to threaten the health of young people. The persistence of phenomena such as the appropriation and destruction of public property, bribery, speculation, and tax and currency offences gives rise to justified public indignation.

The public is beginning to view the degradation of the natural environment and the resulting high social costs as a social ill.

Actions aimed at accelerating the struggle against social ills and delinquency are meeting with public support. The Sejm judges as positive the actions undertaken by the government to this end so far. However, the results obtained are insufficient. This makes it necessary to undertake resolute and more effective steps to secure the full and consistent implementation of the regulations contained in law. The Sejm approves the courses of action contained in the government program on the prevention and combating of social ills and delinquency over the years 1986-90. During the course of implementing the program and during legislative work, the government should take into account the suggestions and views expressed by citizens in the course of the Sejm election campaign and the opinions of Sejm commissions and voivodship teams of deputies. The Sejm advises that the government should present an annual report on the implementation of the program.

A brisk improvement in the situation cannot be affected by the work of the law protection organs alone. Intensified efforts on the part of the state authorities and law protection organs should be accompanied by social disapproval of social ills and violations of the law, along with the development of various forms of participation by citizens in the consolidation of law and order and social discipline. It is the duty of every social and vocational organization, every state institution, and every social milieu to be responsible for the observance of recognized ethical norms, for educational activities, and for combating social ills that lead to demoralization, deprivation, and delinquency. Passive expectation that social problems should be solved solely by the efforts of state organs ought to be replaced by active civic attitudes.

The Sejm appeals to all citizens, to all Poles for whom the future of their homeland is dear, to participate actively in the struggle against all manifestations of social ills in their own interest, in the interest of Polish families -- the young generation -- and in the interest of the entire nation.

SZALAJDA ASSESSES ECONOMIC GROWTH POTENTIAL

AU241151 Warsaw ZYCIE WARSZAWY in Polish 21-22 Jun 86 pp 1, 3

[Interview with Zbigniew Szalajda, deputy chairman of the PPR Council of Ministers, by Henryk Chadynski and Zdislaw Morawski -- date and place not given]

[Excerpts] [Chadynski, Morawski] One frequently hears it said that the rate at which industrial output has been growing in Poland during recent years is still too low, that the pace of economic development is below potential. Do you, as deputy premier with responsibility for the economy, share this point of view?

[Szalajda] Let us begin by explaning what is meant by the "rate is below potential" and by considering the factors that determine growth in industrial output and economic development. Potential consists of more than an existing stock of machines -- machines that are often not the most modern and have been well used -- or reserves of appropriately qualified cadres. To make full use of these factors that determine growth in output it is necessary to provide an appropriate supply of raw materials and the continuous flow of production techniques.

Both these matters are connected to a great extent with the country's ability to import; and this, as we know, is very limited.

Bearing this in mind and assessing current industrial production results, there are no grounds for describing these results as being at variance with actual potential. In analysing the tempo of economic development during recent years it is important to consider what we take as our reference point. Conditioning factors have arisen as a result of certain processes taking place in the world over which we have no control; these factors have been shaping the situation in which our country has found itself for a number of years. We must assess our potential in light of the conditions that arise in this new situation. So the years 1980-81 should not be taken as our reference point.

Viewing the matter realistically, we can formulate appropriate suggestions or critically assess achievements without succumbing to needless and unproductive frustration.

[Chadynski, Morawski] To what extent do you share the critical views of the state of the economy expressed during precongress discussion?

[Szalajda] Unfortunately, there are still many phenomena occurring in the economy that provoke justified criticism. Certain economic mechanisms continue to be weak, in particular those that ought to regulate market equilibrium and the inflation rate. We have not succeeded so far in making the resources allocated to an enterprise for pay dependent on results, or in making employees' levels of pay dependent on results, or in making employees' levels of pay dependent on an enterprise's financial position and productivity levels. Most enterprises are engaged in a daily struggle with serious supply problems. Our economy is still not innovative enough as a result of both a limited flow of new solutions from scientific research centers and the insufficient interest displayed in these matters by economic units. Poor-quality products are a frequent phenomenon.

However, I do not regard total criticism of the state of our economy as justified. As I have already said, we have gone a long way, in a positive sense, from the critical level of the 1980-81 period. Significant increases in output and national income, the attainment of equilibrium in many sectors of the market, enterprises adjusting to limitations on imports, a surplus trade balance with freely convertible currencies [as published] countries -- these are some of the unequivocally positive features of the current state of our economy.

[Chadynski, Morawski] Why has declaring badly run enterprises bankrupt not become a natural ally of the process of restructuring the economy? Why do we frequently try to reinvigorate poorly run enterprises artifically?

[Szalajda] I admit that we are displaying weakness and ineffectiveness in this area. But contrary to what is generally thought, this is a very complicated and difficult matter. It is not always a case of protecting certain badly run enterprises but of preserving production of certain articles that are indispensable for the functioning of the economy as well as for the market, articles that cannot be replaced by imported items on account of our payments position.

[Chadynski, Morawski] You were recently in the FRG, Austria, and Italy. Do these visit's herald the expansion of our cooperation with these countries, what benefits will these visits bring our economy?

[Szalajda] I must draw attention to one fundamental factor determining the development of our economic potential. In many cases, cooperation with the highly developed countries of the West can be of benefit to us in this area.

We also conducted talks on the possibility of firms in the FRC, Austria, and Italy participating in the expansion of cooperation through the development of interplant cooperation and specialization. We also talked about importing new equipment and technology.

WOZNIAK VIEWS CONGRESS THESES ON ECONOMY

AU191842 Warsaw TRYBUNA LUDU in Polish 17 Jun 86 p 3

[Interview given by Marian Wozniak, PZPR Politburo member and Central Committee secretary, to Krzysztof Krauss and Marek Szymanski: "Conditions for Accelerating Progress" -- date and place not given]

[Excerpts] [Krauss, Szymanski] The discussion on the congress theses has been focused mainly on intensifying our economic and social development, changes in the economic structure, and the mechanism of economic reform...

[Wozniak] This is true, but there have been three ways in which our proposals have been commented on. First, some people think the congress theses and program are too limited in scope. Second, some think the congress theses are realistic. Third, some take the view that the theses are realistic, but that it will require enormous efforts to implement them. I think that the third way is the most convincing.

The discussion has clearly shown that our people expect positive changes in their daily lives. Our theses state that much can really be changed, but that we must make real efforts to this end.

[Krauss, Szymanski] What about conflicting views on the economic reform? After all, almost everyone wants more independence, just evaluations of efforts, and just rewards for efforts...

[Wozniak] This is true. The economic reform means that our conditions will become better, but that we must think independently, make independent decisions in all sectors of the economy, and assume responsibility for them. the most important thing in this connection is that we work more productively and effectively. It goes without saying that the reform also means that we must continue to increase our economic commitments and that enterprises and the people must be able to cope with them. The difficulty is that this is the task for the effective, average, and poor performers. The later must improve their performance. There are many other examples of such attitudes...

[Krauss, Szymanski] What about the economic errors committed by the state and its administration?

[Wozniak] I would like to be properly understood and will discuss this issue at length. Many economic customs and types of social behavior continue to hinder the effective performance of the economy. Quite a few enterprises apply double standards of behavior. On the one hand, managers devise correct general tasks which they think should be urgently accomplished. But when these tasks have to be accomplished by their own enterprises they assume absolutely different positions at times.

Parochialism and parochial interests still exert a great influence on the conduct of many enterprises. We all know that fiscal-economic mechanisms, the systems of management, and organizational structures are expected to ensure that public interests go hand in hand with the interests of enterprises. However, no fiscal-economic mechanism can function by itself. It must always be activated by people.

This goes without saying and means that advantage will be taken of the present fiscal-economic mechanism in order to promote parachial interests.

Let me therefore state clearly that the three S's -- self-management, self-dependence, and self-financing -- should be reinforced by a fourth element: The intervention of the state, which is able to modify the performance of the economy in such a way that the enterprises' interests do not damage the interests of the people.

I take the view that we should not be afraid of the state's intervention in our socioeconomic life, but what we must do is defend ourselves against erroneous administrative decisions. We should be sensitive to the criticism leveled at the performance of the center of power and make the necessary changes in this regard. This can be done by the Sejm and the social bodies sharing in the running of the state. The party has already assumed a clear position on this issue.

[Krauss, Szymanski] This means that what we call the social factor can be instrumental in this and that the primary role belongs to the party and its basic organizations...

[Wozniak] I have already said that economic mechanisms are not and cannot be perfect devices and cannot act by themselves. That is why the attitude and conduct of people, and especially of the party, are so important. In enterprises the party should promote progress, speed up production, defend social interests, and influence people's attitudes toward issues such as the motivational system of wages and rewards for honest work, not bonuses for absenteeism. The party in enterprises should back up the managing cadre in all the measures to promote the interests of the state and the people.

The purpose of the congress theses is to create the necessary fabric for the formulation of the 10th party congress resolution. This is their role. I am fully convinced that, having been enriched by the congress discussion, the congress theses have fully met the hopes expected of them.

NEW POLISH CATHOLIC PERIODICAL PUBLISHED

AU201426 Vienna DIE PRESSE in German 20 Jun 86 p 2

["P.M.P."-signed report: "A New Voice of Polish Catholicism; The Reasons for the Publication of ZNAKI CZASU in Vienna"]

[Excerpt] Vienna -- It is not by chance that the new Polish periodical ZNAKI CZASU (SIGNS OF THE TIMES) has come into being in neutral Austria. It is meant to serve as the voice of Polish Catholicism in the West, free from censorship and restraints but with the moral and material backing of the primate, Cardinal Jozef Glemp. "As Catholics, we are not Marxists nor advocates of collectivism but we accept the existence of the current Polish state and do not wish to inflict harm on it," says editor-in-chief Andrzej Micewski, who has settled down in Vienna for 3 years for the time being. He refers to the role of the church as the one social force that, since the disbandment of Solidarity, has taken care to prevent the tensions within public opinion from resulting in bloodshed, in a national tragedy.

BRIEFS

CUBAN POWER ENGINEERING COOPERATION -- Warsaw, June 16 -- Vice-minister of basic industries of the Republic of Cuba, Rodriguez Ortiz called today on Poland's Minister of Mining and Power Industry Czeslaw Piotrowski. The sides exchanged views on the expansion of bilateral cooperation in power engineering. They also determined the scope of common activities within the CMEA Electric Power Commission and discussed the mutually beneficial forms of technical assistance and the utilization of scientific, technological and operational experience. The meeting was also attended by Cuba's ambassador to Poland, Martin Mora Diaz. [Text] [Warsaw PAP in English 0703 GMT 17 Jun 86 LD]

CEAUSESCU CHAIRS WORKING PEOPLE'S COUNCIL PLENUM

AU241146 Bucharest AGERPRES in English 1129 GMT 24 Jun 86

["Plenary Meeting of National Council of Working People and of Supreme Council of Economic and Social Development" -- AGERPRES headline]

[Text] Bucahrest AGERPRES 24/6/1986 -- Under the chairmanship of Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of Romania, the works of the plenary meeting of the National Council of Working People in Industry, Constructions, Transport, Goods Circulation and Finance and of the Supreme Council of Economic and Social Development started on June 24. The plenary meeting is attended by members and alternate members of the Executive Political Committee of the CC of the RCP, secretaries of the CC of the RCP, members of the party's CC and of the government, as well as first secretaries of party county committees, party and state activists, of mass and public organizations, executives in ministries and central institutions. The participants in the plenary meeting adopted unanimously the following agenda:

1. Programme Regarding the Implementation of the Targets Set by the 13th RCP Congress for the Intensive Development of the National Economy Over 1986-1990;

2. Programme for the Improvement of the System of Financing and Crediting of Economic Activities and of Economico-Financial Norms;

3. Romania's Draft Plan of Socio-Economic Development in the 1986-1990 Five-Year Period;

4. Draft Plan of Development of Agriculture, the Food Industry, Silviculture and Water Management Over 1986-1990;

5. Draft Decree on the Modification of Provisions on Working People's Participation in Economic State-Run Units, in the formation of the Economic Development Fund With Social Shares;

6. Draft Decree on the Modification of Provisions on State Social Security and Social Assistance Pensions;

7. The Draft Resolution on the Convening of the Third Congress of Working People in Industry and Other Non-Farming Economic Units.

Debates in plenum followed. In the afternoon works have resumed by sections.

ENERGY COOPERATION PROTOCOL SIGNED WITH TURKEY

AU241530 Bucharest AGERPRES in English 1519 GMT 24 Jun 86

[Text] Bucharest, AGERPRES 24/06/1986 -- The proceedings of the tenth session of the Joint Romanian-Turkish Working Committee in the field of energy and natural resources concluded in Bucharest on June 24. At the end of the proceedings, the heads of the two delegations signed the protocol of the session which envisages new actions and ways conducive to the expansion of cooperation in prospection and extraction operations on crude, natural gas and certain ores, crude refining and the construction of hydropower and thermoelectric plants.

REPORTAGE ON OPENING OF 13TH LCY CONGRESS

Foreign Delegations Arrive

LD241134 Belgrade TANJUG in English 2057 GMT 23 Jun 86

[Text] Belgrade, June 23 (TANJUG) -- Delegations of communist, workers' and other progressive parties and movements have already started arriving in Belgrade to attend the 13th Congress of the League of Communists of Yugoslavia (LCY), which opens on June 25.

Today arrived the delegations of the Lebanese Communist Party, the Workers' Party of Korea, Polisario, the Communist Party of China, the Communist Party of Cuba, the Socialist People's Party of Denmark, the Danish Communist Party, the Communist Party of Finland, the Socialist Left Party of Norway, the Pan-African Congress of Tanzania, the General People's Congress of Libya, the Zimbabwe Patriotic Front, the Iraqi Arab Ba'th Socialist Party, the Progressive Socialist Party of Lebanon, the Sri Lanka Freedom Party, the Brazilian Communist Party, the Socialist Party of Chile, the People's Progressive Party of Guyana, the Communist Party of Colombia, the United Socialist Party of Mexico, the Communist Party of Uruguay and the UNWP of Zambia.

More Delegations Arrive

LD241453 Belgrade TANJUG in English 0936 GMT 24 Jun 86

[Text] Belgrade, June 24 (TANJUG) -- Delegations of communist, workers' and other progressive parties and movements from all over the world who will attend the 13th congress of the League of Communists of Yugoslavia (LCY) opening here tomorrow, are still arriving in Belgrade.

Last night and this morning arrived the delegation of the French Socialist Party (PS), the Netherlands Communist Party (CPN), the Finnish People's Democratic League (SKDL), Namibia's South-West Africa People's Organization (SWAPO), the Mozambican Frelimo Party, the Canadian Communist Party, the Spanish Communist Party (PCE), the Spanish Socialists' Workers Party (PSOE), the Communist Party of Great Britain, the People's Movement for the Liberation of Angola (MPLA), the Workers' Party of Ethiopia (WPE) and the Communist Party of Argentina.

The majority of the 120 foreign delegations are expected to arrive today.

The delegations of the Communist Party of Australia, the CPI and the CPM-Marxist Communist Parties of India, the Radical Party of Chile, the Socialist Party of Chile, the Yemen Socialist Party, the Communist Party of Syria, the Ba'th Arab Socialist (BAAS) Party of Syria, and the Mongolian People's Revolutionary Party (MPRP) have also arrived in Belgrade.

Zarkovic Receives DPRK Envoy

LD241910 Belgrade TANJUG Domestic Service in Serbo-Croatian 1220 GMT 24 Jun 86

[Text] Belgrade, 24 Jun (TANJUG) -- Vidoje Zarkovic, president of the LCY Central Committee Presidium, has received the delegation of the Korean Workers Party which will attend the 13th LCY Congress. The delegation is led by Yi Chong-ok, vice president of the DPRK and a member of the Korean Workers Party Politburo.

Ljubicic Receives Libyans

LD241945 Belgrade TANJUG Domestic Service in Serbo-Croatian 1409 GMT 24 Jun 86

[Text] Belgrade, 24 Jun (TANJUG) -- Mikola Ljubicic, a member of the LCY Central Committee Presidium, has received a delegation of the Libyan General People's Congress led by assistant secretary General Abd al-Raziq al-Sawsa'. During a long and friendly conversation which was attended also by Abdallah S. Burki, secretary of the Libyan Jamahiriyah's National Committee in Belgrade, special attention was paid to the directions of the furture development of bilateral cooperation, which was assessed as having good prospects. The parties agreed that more extensive partnership and cooperation in economic matters will ease the consequences of the unfavorable developments in the international economic relations felt by both countries. During the talks the importance and the role of nonaligned countries was stessed in preserving international peace, security, and equal cooperation in general, particularly the Mediterranean region. The preparations for the Eighth Nonaligned Summit due to be held at the beginning of September in the capital of Zimbabwe, Harare, were also discused.

Zarkovic Opens Proceedings

LD250836 Belgrade TANJUG Domestic Service in Serbo-Croatian 0805 GMT 25 Jun 86

[Text] Belgrade 25 Jun (TANJUG) -- At 1000 hours today [0800 GMT] Vidoje Zarkovic, president of the Presidium of the LCY Central Committee, opened the 13th Congress of the LCY. This important meeting of Yugoslav Communists is being held in the Sava Congress Center in Belgrade.

Over 2,000 delegates and guests are attending the congress; also attending are representatives from over 120 communist, socialist and other workers parties and national liberation and progressive movements from throughout the world.

During the first plenary session, which is chaired by Dimce Belovski, the report on the League of Communist of Yugoslavia in the Struggle for the Further Development of Socialist Self-Management and Nonaligned Yugoslavia will be submitted by Vidoje Zarkovic, president of the Presidium of the LCY Central Committee.

Prior Preparation Discussions

LD241812 Belgrade TANJUG Domestic Service in Serbo-Croatian 1648 GMT 24 Jun 86

[Text] Belgrade 24 Jun (TANJUG) -- The 29th session of the LCY Central Committee, the last before the LCY Congress which begins in Belgrade tomorrow, was held in Belgrade today. Members of the top-ranking party forum made the assessment that all the preparations for the congress have been sucessfully completed.

Ugljesa Uzelac, executive secretary of the LCY Central Committee Presidium and chairman of the Commission for the Organization of the Congress, which has lasted a year, submitted the report on the preparations for the congress. In his words, over a thousand people had been involved in this work. The sum of 500 million dinars had been allocated to prepare and hold the congress.

The congress will be attended by 2,257 Yugoslav delegates and guests. To date delegations of 121 parties and movements from all over the world have said that they would attend. There will be 11 delegations from socialist countries, 67 from the nonaligned, and 43 from Western countries. A total of 1,450 Yugoslav reporters, press photographers, and cameramen as well as 200 journalists from abroad, 100 of whom are special reporters, will follow the work of the congress.

As Ugljesa Uzelac stressed, while the congress is in progress, the paper KOMUNIST will be published daily, while the TANJUG agency will, in addition to providing regular information to the Yugoslav and foreign public, also transmit a number of special services in Serbo-Croatian and several foreign languages. A novelty is the tele-text, daily news from home and abroad, which the participants of the congress will be able to follows on screens at the Sava Center.

The LCY Central Committee also adopted today the amendment submitted by the LCY Central Committee Presidium on the Standing Order concerning the work of the 13th congress. According to the decision adopted today, a two-thirds and not a simple majority, as envisaged by the Standing Order, would be required for the election of members of LCY organs. Explaining the amendment, Jure Bilic stressed that this was a request made both by the leadership and membership and that this was in line with the present and future LCY statute.

At the end of the session, Vidoje Zarkovic, president of the LCY Central Committee Presidium, thanked the present members of the LCY Central Committee for their cooperation and wished them, on the Presidium's behalf, success in their future work.

STATEMENT ISSUED ON KOSOVO DEMONSTRATIONS

AU250928 Belgrade Domestic Service in Serbo-Croatian 1700 GMT 20 Jun 86

[Text] TANJUG reports that the following statement was issued by the Provincial Committee of the LC of Kosovo:

In their uncertainty about rumors which were spread over the past few days about an organized movement of citizens consisting of Serbian and Montengrin nationals in Kosovo, several hundred citizens from the villages of Batuse, Bresje, and Kosovo Polje gathered this morning on the road from Kosovo Polje Pristina. After they were stopped by security organs and after talks with a large number of activists of the sociopolitical organizations, the citizens dispersed. There were no occurrences of breaches of public peace and order.

ZEMLJARIC ADDRESSES SFRY ASSEMBLY 23 JUN

LD240600 Belgrade TANJUG Domestic Service in Serbo-Croatian 1804 GMT 23 Jun 86

[Text] Belgrade, 23 Jun (TANJUG) -- Proceeding from the completely unfavorable developments in the distribution of revenue and income, especially from the growth of personal income unrelated to labor productivity, the Federal Executive Council (FEC) proposes to adopt a law that will impose a temporary ban on the use of a portion of social resources for personal income, for the joint expenditure of the workers, and for certain types of business expenditures this year.

It is not the objective of the law to introduce an administrative regulation of relations in the allocation of revenue and in the distribution of resources for personal income, and especially not to freeze it. This, among other things, was said by Janez Zemljaric, the vice president of the FEC, in his report to the delegates of both chambers of the Yugoslav Assembly on the current economic situation and on the measures for the attainment of the development objectives for this year.

The basic objective, he added, is to bring down the growth of personal income this year to the level envisaged by the resolution and to ensure the implementation of the agreed policy in this area. According to the draft of this law, net personal income can be allocated on the basis of the attained results of work and business activity and also on the basis of the agreed proportions between the income per worker and of accumulation in relation to the average use of resources. In order to maintain work motivation, it will be possible for the organizations of associated labor, which earn the revenue which is higher in relation to the work that had been invested and resources that had been used, and which in allocating net income attain a rate of accumulation that is higher in relation to the average use of resources compared with what is average for the economy of a republic or a province, to earn a higher gross personal income per worker compared with what is average for the economy in a republic, a province, or the country as a whole.

Before he presented to the delegates these and other measures proposed by the Federal Executive Council, Zemljaric said that the present economic situation was marked by an accelerated and uncontrolled rise in both prices and inflation. High inflation destroys the economic kmotivation of workers and economic entities, hinders exports and lends momentum to monopolist behavior and speculation. Through the measures of retail price increases, inflation reached 84 percent at the end of May. All exports, including those concerned with convertible currency, are also falling; as a direct consequence of this, imports, too, are decreasing. Between the beginning of the year and middle of June, according to the statistics, total commodity exports were even as much as 4 percent lower than in the same period last year, while the planned increase was 9 percent. Exports to the convertible currency area dropped by 2 percent, instead of increasing according to plan by 11.5 percent. At the same time, commodity imports also fell by 0.5 percent; imports of reproduction material fell by 4 percent. Zemljaric recalled that this year about $1 billion of principal and interest more than last year will fall due. All these aspects influence, in addition to slow affirmation and adaptation of the economy to new systemic solutions in this sphere, an increase in the trade deficit, endanger the implementation of the planned surplus in the current balance of payments and begin to cause serious disruptions in supplying the industrial production sector and in continuing to maintain the present positive rates of its growth.

Consumer demand and consumption are growing faster and exceeding the established frameworks and real material possibilities. Nominal increase of all aspects of consumption has substantially accelerated while the real increase, too, is considerably above the planned one. Personal incomes and allocations for general and joint consumption, as well as for joint consumption in organizations of associated labor, have more than doubled.

Disruptions in the country's entire financial system are also gaining momentum. The practice of acquiring and distributing the income above and beyond the real results of work and production and without regard for regular commodity and monetary trends is spreading. Thus, for instance, the negative difference between the income acquired and allocated in the first quarter of last year amounted to 102.5 billion dinars; in the same period this year it reached the figure of 254 billion. At the same time, losses not made good are increasing and the practice of making them a burden on the whole of society is spreading; new fictitious accounts and unsubstantiated credits are being created; the channels of money substitutes are widening; the practice of not meeting financial obligations as well as lack of financial discipline is growing.

Bearing in mind such economic trends, their increasingly unfavorable tendencies, and the exacerbation of the social situation, the FEC's assessment is that to continue such economic trends could lead the country into an even graver socioeconomic and social and political crisis, seriously endanger the implementation of the entire development strategy in the current medium-term plan period as well as the implementation of the normalization program of Yugoslavia's foreign economic position, Zemljaric went on to stress.

In cooperation with a number of scientific workers and economists from organizations of associated labor, the FEC has prepared and proposed to the SFRY Assembly to adopt by urgent procedure, that is, by guillotine, several laws and other measures whose consistent implementation will put an end to, halt, and reverse the negative tendencies in economic trends. A number of measures have been passed within the FEC jurisdiction, while others will be adopted by other relevant federal organizations.

Janez Zemljaric informed the delegates that, in the FEC's view, the proposed measures will, nevertheless, lead to the realization of all the resolution's objectives since the shortfalls in the period since January have been so substantial that it would be almost impossible to rectify the situation, particularly in the sphere of foreign economic relations and in curbing inflation. However, he added, by implementing the proposed measures, we would not have to reduce the number of goals and tasks as set by the resolution.

Although some of the proposed measures that we have been forced to take could be described as administrative, the FEC's basic stand is that only economic measures and market criteria could produce long-term results. Have not voluntarism and the refusal to acknowledge the role of economic criteria and regulations taught us enough lessons?

Although under the SFRY Constitution the federation has the power, under certain circumstances, to pass necessary measures directly, the FEC has decided that, in the spirit of our system and by recognizing the rights and responsibilities of the republics and autonomous provinces, as many measures as possible should be passed by the republics and provinces themselves. If, however, they fail to draft and adopt on uniform basis and within the envisaged deadlines the necessary measures within their purview, these measures would have no substantial effect and the situation would become even more complex.

In that case the FEC will propose that the SFRY Assembly pass the measures designed to ensure that proposed anti-inflationary measures are implemented throughout the country comprehensively and consistently, Zemljaric stressed.

We have decided, he went on, that the measures and activities be prepared and implemented in three groups and stages which will altogether constitute a unique program of coordinated and consistent measures and of coordinated and comprehensive activity. These will enable us to emerge from the crisis and to implement the long-term program of economic stabilization more efficiently.

The first group of measures, to be passed today and over the next few days, is designed to halt and redirect the unfavorable economic trends. They are expected to stimulate production growth, in particular export-oriented production, to increase foreign currency inflow, to curb and subsequently reduce inflation, to decelerate the rise in all forms of consumption and to exert influence on the market in order to curb prices and protect the living standard of the population.

The second group of measures, whose implementation is to commence in July this year, comprises those measures which could not be prepared by today and which are designed to secure continuity in the implementation of the measures and activities passed today.

The third group of measures are of long-term character and are to take effect after the negative trends have been halted and redirected. They result from the long-term program of economic stabilization, will be of systemic and material character and will be incorporated in the terms of economic activity for 1987 and years to come.

Zemljaric went on to list the most important changes. These relate to the ways of stimulating production, enhancing the system of incentives to export, accelerating the influx of foreign currency into the country and, in addition, improving the country's balance of payment. There is to be a significant increase in the number of measures designed to stimulate production and export of industrial and agricultural products and export of transportation services. There will be an increase in the amount of import duty paid back when goods are exported again for several groups of products. The appropriate adjustment in the dinar exchange rate to the ratio between the domestic and foreign prices is to be carried out.

Dinar credits will be secured for the manufacturing and export of industrial and agricultural products.

Those organizations of associated labor which are capable of increasing their export-oriented production in a short space of time will be allowed to borrow abroad above the envisaged plan for 1986 in order to finance the import of necessary equipment.

By introducing more favorable import terms, customs duties and other import taxes, through advance payments and by increasing socially recognized reproduction needs and also through other forms of more favorable treatment and by allowing imports which will help to increase exports, we shall stimulate a faster spending of the foreign commodity credits available on export-oriented production.

Commercial banks will be allowed directly to use a share of the foreign currency earnings (about five per cent of the prescribed minimum) for financing the import of spare parts and for small adjustment in current accounts.

The material basis and, in particular, the working capital of the export-oriented production will be improved by exempting the stimulative funds from taxes and contributions to incomes and personal incomes. By implications, these funds cannot be redistributed between the productive sector and society.

In July we will propose solutions for accelerating the withdrawal of credit facilities granted by international financial organizations and their use for financing the import of equipment, raw materials and semi-manufactures for export-oriented production. We will reexamine and propose systematic solutions that will stimulate joint investment by foreign partners into our country and that will encourage our workers temporarily employed abroad to invest their foreign currency into specific small-business programs in the country.

To achieve the increase in foreign exchange earnings, it was proposed to considerably increase the network of duty-free shops, as well as shops for purchasing certain goods for foreign exchange to Yugoslav and foreign persons. A suggestion was also introduced to sell certain kinds of Yugoslav produced goods to foreign legal bodies, which will be exempt from a turnover tax.

Concrete measures that will improve the economic position of agricultural production were either adopted or proposed. The system of crediting agricultural production was changed. The funds from the primary source for this purpose will be used for funding the production cycle for 60 days after the cycle ends. After this, these funds will be withdrawn and allocated for the use of those involved in reproduction and final consumption and for market reserves of agricultural products. The transitory solutions for this year include the funding of producers for reserves intended for reproduction, as well as for that part of reserves which may not be taken by trade organization and organizations responsible for commodity reserves, that is, that part which will not be exported.

The conditions for funding agricultural production will be considerably more favorable. The growth of agriculture will be also stimulated via the second harvest and tax and credit concessions.

Limitations for exporting agricultural products in cases when there is no agreement between producers and buyers on the production of products are being abolished.

It has been proposed to form market reserves of five basic agricultural products (wheat, corn, edible oil, sugar and certain kinds of meat) at the level of the federation, republics, autonomous provinces, cities and municipalities. They should become one of the most important economic instruments of balancing out supply and demand of agricultural and food products and stabilizing the market and prices.

It has also been proposed to continue to pursue the moderate restrictive monetary-credit policy. At the present level of inflation, it is proposed to adapt and increase the money supply up to 60 percent, and the total dinar investments by banks to 52 percent. In the months to come these percentages will be gradually curtailed in line with the expected reduction in inflation.

At the same time, the FEC will propose to the SFRY Assembly, or adopt within the framework of its own jurisdiction, measures which will pinpoint, uncompromisingly close, and gradually eliminate all irregular sources and channels of money and its substitutes.

The proposal for internal banks being able to guarantee promissory notes only within the framework of the credit guarantee potential of business banks, with the exception of promisory notes on the basis of investments, as well as for organizations of associated labor being able to give guarantees to other beneficiaries of social resources only on condition that in the previous 6 months they had no unpaid obligations, is also along this line.

The policy of realistic interest rates will be continued until the end of 1986 through having the bank rate of the National Bank of Yugoslavia determined on the basis of the actual 3-month increase in manufacture's prices of industrial products and the expected increase of these prices in the next 4 months, and raised by one percentage point. After the 3 months, interest rates will be adapted to the rise in prices.

Differentiated, more favorable interest rates for preparing products for exports and for exporting them and even more favorable ones for agricultural production, including the production of fertilizers, will be established. The FEC also proposes to progressively decrease part of interest rates for certain agricultural produce.

It is proposed to place a limit on the highest interest rates on the use of bank resources for investments in certain priorities (exports, agriculture, market reserves) to the level of interest rates applied for these kinds of investments when money from the state money issue is used. Banks' interest rates on term deposits of citizens and the economy of 12 months will be coordinated at the level of the National Bank of Yugoslavia's bank rate while other interest rates will be determined by banks through self-managing agreements.

This method of determining the interest rates will remain in force until the end of the year. Other possible methods of applying the policy of real interest rates will also be studied in that period and a more lasting solution which would be introduced as early as 1987 proposed.

On the basis of the studied entire financial situation of the economy and the banks, special measures for financial consolidation -- in the more narrow sense -- of economic subjects and banks, are being prepared. They will be implemented in the second half of the year in order that as from 1 January 1987 a more efficient system of putting the organizations of associated labor on a sound basis and liquidating losses could be introduced. Substantial changes are also planned for the accounting system. The June package of measures proposes an urgent change of the law on the accounting system in order to eliminate the double cost burden of organizations of associated labor on the basis of interest rates, differences in the exchange rate, and re-valorization of the reserves. The implementation of financial discipline in the country will be substantially enhanced. Economic mechanisms will be proposed which will prevent the tolerance of unpaid debts, enhance the selectivity in the monetary-credit policy, define the minimum credit ability of economic subjects and banks, and thus define their ability to meet their debts.

In the shortest possible time the Federal Executive Council will put forward an additional proposal for determining that part of foreign credits created by flotations in foreign exchange rates in organizations of associated labor which would provide a basis for them to adopt a legal decision for their partial coverage in the interest of everybody in July this year.

As part of the measures for the financial consolidation, in July this year a proposal will also be advanced for the measures improving dinar liquidity, and practical solutions of some specific material problems in Montenegro and Macedonia and in the Socialist Autonomous Province of Kosovo, as well as for an agreement on special measures for stimulating the speediest possible development of the Socialist Autonomous Province of Kosovo.

The development and preparation of the more effective set of instruments and more modern tax system and our orientations of the appropriate tax policy represent one of the most complex and essential tasks which in Yugoslavia, that is, in all the republics and autonomous provinces, must be finished in the forthcoming months and which must be built into the policy of socioeconomic development for 1987.

The Federal Executive Council proposes that a special law should be introduced to temporarily ban the use of social funds for investments in construction projects which are used for non-economic and non-productive activities.

In 1987 new non-productive and non-economic investments cannot be started. For completion of already started projects, the users of social funds can this year use the funds to the amount used for these purposes in the republics and autonomous provinces in nominal amounts in 1984, increased by the rate of inflation calculated by retail prices in 1985.

The Federal Executive Council also proposes the adoption of the suggestion put forward to the assemblies of the socialist republics and autonomous provinces to ensure with laws that all incomes of sociopolitical communities and all self-managing communities of interest, which are realized in the period by 30 June 1986, and above the level of the resolution envisaged growth, should be set aside and directed toward the development of the export economy. Also, in the second half of the year, the republics and autonomous provinces should not be able to have social funds at their disposal which would be earmarked from the economy above the level set out in the framework of the resolution. In accordance with the established surplus, the rates of contribution and tax of the income of the organizations of associated labor and workers' personal income should be decreased. This suggestion also sets into motion the action that within the period of 3 months in all sociopolitical and self-managing communities of interest, a necessary revision should be carried out and rights decreased to the level which will be possible to cover financially within the scope of the resolution established possibilities for the growth of joint and general expenditure and that by the end of the year a rationalization of the existing network of institutions of general and joint expenditure should be carried out.

The suggestion is made to all sociopolitical communities that in 1986 they should not increase their budgets and that the necessary changes should be carried out within the framework of the budgets adopted at the end of last or the beginning of this year. It is also proposed that the assemblies of all sociopolitical and self-managing communities of interest this year do not introduce any new rights for the users of joint and general expenditure and prevent burdening the economy with new obligations.

Banks, other financial organizations, and insurance companies have been called upon to to reduce the amount of compensations and of premiums for their services.

Speaking about personal incomes, Zemljaric stressed that all beneficiaries of social resources who have been paying higher net personal incomes than laid down by the law must by the end of the year coordinate their policies with the criteria laid down in the proposed law.

A proposal will be made to the assemblies of the republics and provinces to pass laws that, through a uniform method will determine and appropriate that part of the income of organizations of associated labor which has been acquired through inflationary price rises. This measure will also have a preventive effect. Organizations will know beforehand the frameworks of price increases which they have to repsect in order not to become subject to the law calling for the appropriation of a part of their income.

Amendments and supplements to the law preventing monopolist behavior and disloyal competition on the Yugoslav market will be passed in July. They will define more clearly the economic criteria to identify monopolist behavior and make more efficient anti-monopolist activities possible.

Reducing the number of middle-men reduces the possibility of raising prices in the buying and selling of goods.

A special program of interventionary imports of consumer goods, which will eliminate monopolist behavior by individual Yugoslav manufacturers and ensure better supply of the market is also being prepared.

Organizations of associated labor in the sphere of power production and some branches of transportation will, in the future, set the prices of their products and services in line with the adopted joint elements laid down in the SFRY social plan for 1986-90. This will lead to a gradual elimination of disparities in the power industry and production of coal and natural gas. Prices in railway transportation are already formed in this way.

The protective prices of basic agricultural produce for 1986 established so far have been adjusted by about 34 percent. The aim of this change is to prevent the position of agriculture in the primary distribution from worsening and to ensure long-term conditions for a stable agricultural production. Agreement has been reached by relevant republican and provincial organs on the contract for an organized purchase of wheat of the 1986 harvest. According to this contract, the purchasing price will be 70 dinars per kilogram.

Speaking about the need for greater direct control over prices, Zemljaric stressed that organizations of associated labor will be able to continue to form independently the prices where the decrease in rises can be influenced more efficiently through other measures of the economic policy, where there is competition on the Yugoslav market and the possibility of interventionary imports, and where the trends do not depart significantly from the economic policy laid down for 1986. These products represent about 37 percent of the value of industrial production. Of the prices in the sphere of power production transportation which will be formed on the basis of the joint elements, 45 percent of the value of the industrial production realized are within the system of independent price formation.

Prices of approximately 42.2 percent of the value of industrial production will be in the system of giving preliminary notice. In this system, organizations of associated labor and other organizations must inform the Federal Institute for Prices of the planned increases in prices of their products and services within a period of 120 days before the new prices begin to be applied.

Approximately 6.3 percent of the value of industrial production will be in the system of preliminary agreement by the Federal Institute for Prices for price changes.

Prices which increased exceptionally this year, that is, considerasbly beyond the orientational parameters of the Federal Institute for prices, although by their economic position and in view of the situation on the market and the trends of the import-export prices they have mostly no justification for this, fall within the system of these temporary measures.

Prices of about 6.8 percent of the value of industrial production will be determined on the basis of the prescribed method of price formation. This refers above all to prices of basic food products. In order to alleviate the price increases and eliminate disparities in this sphere and thus also, unfortunately, the increase in citizens' cost of living, the FEC proposes that municipalities, republics and autonomous provinces compensate part of the difference in prices for wheat flour of the 850 type and bread made from this flour, edible oil, lard, certain types of fresh meat and milk.

The prices of crude oil and natural gas will be determined by FEC until the joint elements are adopted (total 7.4 percent of the value of industrial products).

The FEC also passed the decision on reversing the prices referring to some 4 percent of the value of the industrial production, to the level at which they were on 1 March 1986. At the same time, they become subject to the obligation to give preliminary notice to the Federal Institute for Prices in the period of 120 days. These prices increased the most this year, with least economic justification. With their rises serious disruptions have been created on the market, and it would therefore be unjustified not to apply and carry out this legislative measure.

Measures of direct price control, although only temporary, will not be painless for the economy, Zemljaric stressed. But the prices in the past few months were such as to make these measures necessary in order to create conditions in which the economic laws would operate more efficiently and enable the sound section of the economy to enjoy more normal conditions of the economic acitivity and more realistic assessment of results, in order that there be greater incentives for exports and reduce further onslaughts on the population's standard of living. The more efficiently these measures are implemented, the more quickly will conditions be created to abolish them and establish normal market conditions for the economy and thus regulate also this sphere of reproduction.

The economy is estimated to be disencumbered in the second half of this year by nearly a thousand billion dinars on the basis of reducing investments in the non-production and non-economic sphere, lowering the costs of interest rates, reducing the general and joint consumption to frameworks laid down by the resolution, curtailing contractual and other obligations, coordinating personal incomes, decreasing joint consumption in organizations of associated labor, cutting oil prices, customs duties and on the basis of other aspects, except for the effect of a lower price increase. At the same time, for this venture to succeed, it will be necessary to ensure in the first phase fresh resources for export incentives, covering the differnces in exchange rates, and progressively reducing interest rates, as well as incentives for graded seed and plant pesticides and formation of market reserves, Jane Zemljaric told the delegates of both chambers of the SFRY Assembly.

SLOVENE YOUTH REJECT ACCUSATIONS OF ISOLATIONISM

LD241637 Belgrade TANJUG Domestic Service in Serbo-Croatian 1853 GMT 23 Jun 86

[Text] Ljubljana, 23 Jun (TANJUG) -- In a working agreement on the debates and conclusions of the recent 12th Yugoslav Socialist Youth Federation Congress, which was convened today by the Republican Conference of the Slovene Socialist Youth Federation, the assessments (both made at the congress itself and published in a section of the information media) that members of the congress delegation of Slovene youth wanted to divert the attention of delegates to marginal questions, were categorically rejected as arbitrary.

In the preparations for the republican and federal youth congress, Robert Cerne, the president of the Republican Conference of the Slovene Socialist Youth Federation stressed that Slovene youth had managed to expose all the fundamental questions of our sociopolitical and economic development, not in an abstract way but in detail according to individual economic segments. We believe, Cerne said, that Slovene youth have never before been so actively involved in the republican and federal congress preparations and debates. Perhaps, Cerne went on, we were not sufficiently clear in defining some stances concerning which it was impossible to establish a normal and cultural dialogue at the congress. If we now analyse the course of the congress and individual congress discussions, we cannot help but coming to the conclusion that at the congress the idea was expressed to too great an extent that solutions and ways out of the current social and economic crisis should be sought in old and antiguated interventions. All the subjective forces of our society need action unity in the earch for new and fresh solutions and not uniformity and ineffective monolithism.

In no way is Slovene youth the exponent of tendencies toward the isolation of the youth organization within republican frameworks and borders. We likewise reject the insinuation that at the congress we expressed the stances of the Slovene youth team of officials, as was imputed to us, in the discussion. In fact, anyone can obtain and read through the decisions of the Slovene youth congress. We are certainly not the supporters of the uncritical adoption "of Western ideas", the champions of separatism and the dynamiters of the federal congress with marginal questions, Robert Cerne stressed in his address which was unanimously supported by all those present. The federal congress again demonstrated that Yugoslav youth were not correctly informed about some of our proposals, ideas, and impulses because otherwise it doubtless would not have happened that assertions would even be heard at the congress that Slovene youth favors the abolition of the Yugoslav's People's Army, or rather, the setting up of republican armies.

It should be taken and accepted as reality, Robert Cerne concluded, that the discussions at the congress were a reflection of the current situation in our youth organization and in society as a whole. The factual situation should finally be accepted that we do not all think the same and that it is not a bad thing if things are like this. I believe that it has become clear to everybody that the youth organization should discuss everything, literally all the open questions of this society and that in discussing them they should make decisions and be allowed to conduct an open dialogue within their own sphere of organization as well. We cannot go on behaving as if all these questions and problems do not exist.

BORBA ON DEBATES ON NUCLEAR POWER PLANTS

AU230829 Belgrade BORBA in Serbo-Croatian 17 Jun 86 p 2

[Darko Gorsek commentary: "Nuclear Nucleus"]

[Excerpts] The orientation for or against nuclear power plants has almost turned into its opposite. The topic has been banalized to such an extent by the opponents' one-side repetition of their arguments and the supporters' persistent evasions, that the first right move was actually the reaction of the SAWPY Federal Conference which organized a public debate about nuclear power plants within the strategy of developing energetics.

Almost 2 months have passed after this debate, dramatic months because of the Chernobyl radioactive cloud, ad nothing qualitatively new has been said, but the questions of our nuclear orientation have been increasingly turning into a nucleus of broad discontent with some past and also with possible future mistakes. The SFRY Presidency has adopted the standpoint that we cannot make decisions about the construction of nuclear power plants until we adopt a long-term program for the development of energetics and until an agreement on the joint development of the electric power generation industry is reached. The basic thing in both cases is above all to exercise care regarding the utilization of our own natural sources and to establish a complete program of saving all kinds of energy.

The time for debates is still to come, because there is at least 1 year left until the decision, 1 year after the beginning of international bids on 3 July, during which conditions and orientations will be examined. Further exchanges of views and arguments, like this one, are therefore welcome. After all, Branko Mikulic did not say anything differet when he addressed journalists recently, nor could one discern a qualitatively different tone uttered from congress rostrums.

If there is anything good in all this, itd is the assertion that this country must finally have a united energetic system, and that decisions about the utilization of electric power potentials cannot be made on the level of republican and provincial electric power generation industries only, and especially not by "interested investors." "The nucleus" -- the population's desire to know what is being planned and done on its behalf and therefore to its benefit or detriment -- should in any case be cherished, furthered, and taken into consideration with arguments and reasons in order to arrive at the best solutions in a democratic manner, and not only in the field of energetics.

HASANI, PRESIDENCY GREET HONECKER IN REELECTION

AU231540 East Berlin NEUES DEUTSCHLAND in German 21-22 Jun 86 p 2

[Text] To Comrade Erich Honecker, chairman of the GDR State Council, I want to extend, on behalf of SFRY Presidency and on my own behalf warm congratulations and wishes for further successes in your activity. I am convinced that the friendly relations between our two socialist countries, as well as our many-sided and fruitful cooperation will continue to develop in the constructive spirit that has been characterizing them and that marks each of our frequent and fruitful meetings.

[Signed] Sinan Hasani, president of the SFRY Presidency.